



# भारत का राजपत्र

## The Gazette of India

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

### नोट स

### NOTICE

नीचे लिखे भारत के असाधारण राजपत्र 3 सितम्बर 1969 तक प्रकाशित किये गये :—

The undermentioned Gazettes of India Extraordinary were published up to the 3rd September, 1969 :—

| Issue No.      | No. and Date                                    | Issued by   | Subject  |
|----------------|---|---|--|
| 287            | S.O. 3313, dated 19th August, 1969.             | Ministry of Home Affairs.                               | Constituting an Advisory Board for the purposes of the Preventive Detention Act, 1950.                   |
| 288            | S.O. 3314, dated 19th August, 1969.             | Election Commission of India.                           | Vice Presidential Election, 1969<br>—Counting of Votes.  |
| एस० श्र० 3315  | भारत निर्वाचन आयोग,<br>दिनांक 19 अगस्त,<br>1969 | उप राष्ट्रपतीय निवाचित 1969—<br>मतों की गणना।           |  |
| 289            | S.O. 3387 dated 20th August, 1969.              | Ministry of Law.  | Declaration regarding Shri V. V. Giri who has been duly elected to the office of the President of India. |
| एस० श्र० 3388. | विधि मंत्रालय<br>दिनांक 20 अगस्त,<br>1969       | श्री श्री० विधि मंत्रालय<br>के लिये निवाचित घोषित करना। |  |

| Issue No. | No. and Date                                | Issued by   | Subject  |
|-----------|---|---|--|
| 290       | S.O. 3389, dated 20th August, 1969.         | Ministry of Home Affairs.                         | Extending the period of tenure of the Commission of Inquiry upto the 28th February, 1970.  |
| 291       | S.O. 3390, dated 20th August, 1969.         | Ministry of Information and Broadcasting.         | Approval of the films as specified in the schedule therein.  |
|           | एस० श्रो० 3391,<br>दिनांक 20 अगस्त,<br>1969 | सूचना प्रीर प्रसारण<br>मंत्रालय                   | श्रुत्सूची में दी गई फिल्मों को स्वीकृत करना।  |
| 291-A     | S.O. 3391-A, dated 22nd August 1969.        | Ministry of Foreign Trade and Supply.             | Authorising Shri H. S. Raman <sup>1</sup> to take over the management of the Mahalaxmi Mills Company Limited, Beawar with effect from the 21st July, 1969. |
| 291B      | S.O. 3391-B, dated 22nd August, 1969.       | Do.   | Corrigendum to S.O. No. 2787, dated 4th July, 1969.  |
| 292       | S.O. 3392, dated 23rd August, 1969.         | Ministry of Home Affairs.                         | The ceremony of assumption of Office of the President by Shri V. V. Giri, the President-elect.   |
|           | का० श्रा० 3393,<br>दिनांक 23 अगस्त,<br>1969 | गृह मंत्रालय                                      | श्री दौ० श्री० गिरि निर्बाचित राष्ट्रपति भारा पद प्रहृण सम्बन्धी समारोह  |
| 293       | S.O. 3394, dated 24th August, 1969.         | Ministry of Home Affairs.                         | Proclamation regarding the assumption of office of the President of the Republic of India by Shri V. V. Giri.  |
|           | का० श्रा० 3395,<br>दिनांक 24 अगस्त,<br>1969 | गृह मंत्रालय                                      | श्री दौ० श्री० गिरी का भारत के राष्ट्रपति के पद का प्रहृण करने की घोषणा।   |
| 294       | S.O. 3472, dated 25th August, 1969.         | Ministry of Labour, Employment and Rehabilitation | Prohibiting the continuance of the strike in the port of Cochin.   |
|           | S.O. 3473, dated 25th August, 1969.         | Do.   | Referring the industrial dispute for adjudication to an Industrial Tribunal.   |
| 295       | S.O. 3474 dated 26th August 1969.           | Ministry of Foreign Trade and Supply              | The Exports Control Fifteenth Amendment Order, 1969.   |
| 296       | S.O. 3475 dated 27th August, 1969.          | Ministry of Information and Broadcasting.         | Approval of the films as specified in the Schedule therein.  |
|           | एस० श्रो० 3476,<br>दिनांक 27 अगस्त,<br>1969 | सूचना प्रीर प्रसारण<br>मंत्रालय                   | श्रुत्सूची में दी गई फिल्मों का स्वीकृत करना।  |
| 297       | S.O. 3427, dated 27th August, 1969.         | Ministry of Home Affairs.                         | The Criminal Courts and Border Security Force Courts (Adjustment of Jurisdiction) Rules 1969.  |

| Issue No. | No. and Date                              | Issued by  | Subject   |
|-----------|---|--|---|
| 298       | S.O. 3478, dated 30th August, 1969.       | Ministry of Food, Agriculture, Community Development and Cooperation.      | Extending the tenure of Order No. S. O. 1958, dated the 13th May, 1969 upto the 30th September, 1969.   |
| 299       | S. O. 3479, dated 30th August, 1969.      | Ministry of Law  | Shri G. S. Pathak has been duly elected to the office of Vice-President of India.   |
|           | एस० ओ० ३४८०,<br>दिनांक ३० अगस्त,<br>१९६९  | विधि मंत्रालय  | श्री जी० एस० पाठक को भारत के उप-राष्ट्रपति पद के लिये विविध निर्वाचित कर लिया गया है।   |
| 300       | S.O. 3481, dated 31st August, 1969.       | Ministry of Home Affairs.  | Shri G. S. Pathak assumes the office of the Vice-President of the Republic of India.  |
|           | का० ओ० ३४८२ दिनांक<br>३१ अगस्त, १९६९      | गृह मंत्रालय   | श्री जी० एस० पाठक ने भारत गणराज्य के उप-राष्ट्रपति का पद ग्रहण कर लिया है।  |
| 301       | S.O. 3609 dated 1st September 1969.       | Ministry of Industrial Development, Internal Trade and Company Affairs.    | Authorising Shri S. K. Chaudhri to take over the management of the New Victoria Mills Co. Ltd., Kanpur subject to the terms and conditions mentioned therein for a period of two years. |
| 302       | S.O. 3610, dated 1st September, 1969.     | Ministry of Food, Agriculture, Community Development and Co-operation.     | Direction that order No. S.O. 1157 dated 19th March, 1969 shall remain in force upto the 31st December, 1969.   |
| 303       | S.O. 3611, dated 1st September, 1969.     | Ministry of Industrial Development and Internal Trade and Company Affairs. | Further amendments in S.O. No. 3091, dated 2nd September 1967.  |
| 304       | S.O. 3612, dated 3rd September, 1969.     | Election Commission of India.  | Calling upon the elected member of the Legislative Assembly of the State of Uttar Pradesh to elect a person for the Council of States of that State.                                    |
|           | S.O. 3613 dated 3rd September, 1969.      | Do.  | Appointment of dates for the above election (S.O. 3612).  |
|           | S.O. 3614, dated 3rd September, 1969.     | Do.  | Fixation of hours for the above election (S.O. 3612).   |
|           | S. O. 3615 dated 3rd September, 1969.     | Do.  | Designating the Secretary, Vidhan Mandal Uttar Pradesh, Lucknow, to be the Returning Officer for the above election (S.O. 3612).  |
|           | S.O. 3616 dated 3rd September, 1969.      | Do.  | Appointing the Secretary, Vidhan Sabha, Uttar Pradesh Lucknow to assist the Returning Officer for the above election (S.O. 3612).   |
|           | एस० ओ० ३६१७,<br>दिनांक ३ सितम्बर,<br>१९६९ | भारत निवाचिन<br>आयोग   | उत्तर प्रदेश राज्य की विधान सभा के निर्वाचित सदस्यों से अप्रोक्षा करना कि राज्य सभा के लिये एक घटित का निवाचन करें।   |

| Issue No.                                 | No. and Date          | Issued by  | Subject |
|---|-----------------------|--|---------|
| एस० ओ० 3618,<br>दिनांक 3 सितम्बर,<br>1969 | भारत निर्वाचन<br>आयोग | उपर होने वाले निर्वाचन के लिये<br>तारीख नियत करना (एस० ओ० 3617)।   |         |
| एस० ओ० 3619,<br>दिनांक 3 सितम्बर,<br>1969 | तदैव                  | उपर होने वाले निर्वाचन के लिये<br>समय नियत करना (एस० ओ० 3617)।   |         |
| एस० ओ० 3620,<br>दिनांक 3 सितम्बर,<br>1969 | तदैव                  | उपर होने वाले निर्वाचन के लिये<br>सचिव, विधान मण्डल, उत्तर प्रदेश लखनऊ को रिटाइंग आफिसर के रूप में पदाभिहित करना (एस० ओ० 3617)।            |         |
| एस० ओ० 3621,<br>दिनांक 3 सितम्बर,<br>1969 | तदैव                  | उपर होने वाले निर्वाचन के लिये<br>रिटाइंग आफिसर की सहायता करने के लिये, सचिव, विधान सभा, उत्तर प्रदेश लखनऊ की नियुक्ति करना (एस० ओ० 3617)। |         |

उपर लिखे असाधारण राजपत्रों की प्रतियाँ प्रकाशन प्रबन्धक, सिविल लाइस, दिल्ली के नाम मांगपत्र भेजने पर भेज दी जाएंगी। मांगपत्र प्रबन्धक के पास इन राजपत्रों के जारी होने की तारीख से 10 दिन के भीतर पहुँच जाने आहिए।

Copies of the Gazettes Extraordinary mentioned above will be supplied on indent to the Manager of Publications, Civil Lines, Delhi. Indents should be submitted so as to reach the Manager within ten days of the date of issue of these Gazettes.

## भाग II—खण्ड 3—उपखण्ड (ii)

### PART II—Section 3—Sub-section (ii)

(रक्षा मंत्रालय को छोड़कर) भारत सरकार के मंत्रालयों और (संघ सेवा प्रशासन को छोड़कर) केन्द्रीय प्राधिकरणों द्वारा जारी किये गये विविध प्रावेश और प्रवितृत्याएं

Statutory orders and notifications issued by the Ministries of the Government of India (other than the Ministry of Defence) and by Central Authorities (other than the Administration of Union Territories).

### ELECTION COMMISSION OF INDIA

New Delhi, the 1st September 1969

S.O. 3756.—In exercise of the powers conferred by sub-section (1) of section 13A of the Representation of the People Act, 1950, the Election Commission, in consultation with the Government of Haryana, hereby nominates Shri M. L. Batra, Commissioner for Home Affairs and Secretary to the Government of Haryana, Election Department, as the Chief Electoral Officer for the State of Haryana with effect from the date he takes over charge vice Shri Ishwar Chandra.

[No. 154/17/69.]

ORDER

New Delhi, the 1st September 1969

S.O. 3757.—Whereas the Election Commission is satisfied that Shri Bhupinder Singh, Village Sangarpura, Tehsil Batala, a contesting candidate for the mid-term general election held in February, 1969 to the Punjab Legislative Assembly from Batala constituency, has failed to lodge an account of his election expenses in the manner required by the Representation of the People Act, 1951 and the Rules made thereunder;

And whereas the said candidate, even after due notice, has not given any reason or explanation for the failure and the Election Commission is satisfied that he has no good reason or justification for the failure.

Now, therefore, in pursuance of section 10A of the said Act, the Election Commission hereby declares the said Shri Bhupinder Singh to be disqualified for being chosen as, and for being a member of either House of Parliament or of the Legislative Assembly or Legislative Council of a State for a period of three years from the date of this order.

[No. PB-LA/31/69(3).]

By Order,

A. N. SEN, Secy.

भारत निर्वाचन आयोग

नई दिल्ली, 1 मितम्बर 1969

एस० ओ० 3758 -- लोक प्रतिनिधि एवं अधिनियम, 1950 की धारा 13-क की उपधारा (1) के द्वारा प्रत्यक्ष शक्तियों वा एयोग करने हेतु निर्वाचन आयोग हरयाणा सरकार के परामर्शदाता, श्री ईश्वर चन्द्र के पार गृह विभाग के आयुक्त और हरयाणा सरकार के निर्वाचन विभाग के सचिव श्री एम० एल० बत्ता को नके कार्यभार भांडालन की तारीख से हरयाणा राज्य के लिए मुख्य निर्वाचन अधिकारी द्वारा रुप में एतद्वारा नाम निर्देशित दरना है।

[भंडाला 154/17/69]

आवेदन

नई दिल्ली, 1 मितम्बर 1969

एस० ओ० 3759 :—यतः निर्वाचन आयोग का समाधान हो गया है कि फरवरी, 1969 में दृष्ट पंजाब विधान सभा के लिए मध्यावधि निर्वाचन के लिए बटाला निर्वाचन-क्षेत्र से चुनाव लड़ने वाले उम्मीदवार श्री भूपिन्दर सिंह, ग्राम सगरसुर, तहसील बटाला, लोक प्रतिनिधित्व अधिनियम, 1951 तथा तद्धीन बनाये गये नियमों द्वारा प्रवेशित रीति से अपने निर्वाचन व्ययों का लेखा दाखिल करने में असफल रहे हैं;

और, यतः उक्त उम्मीदवार उसे मध्यकृत सूचना दिये जाने पर भी लेखा दाखिल करने में असफल रहा है और उसे श्री इस असफलता के लिए कोई कारण ग्रथता साप्टीकरण नहीं दिया है; तथा निर्वाचन आयोग का यह सामाधान हो गया है कि उसके पास इस असफलता के लिए कोई पर्याप्त कारण या न्यायोचित नहीं है;

अतः, अब, उक्त प्रधिनियम की धारा 10-क के अनुसरण में निर्वाचन आयोग एतद्वारा उक्त श्री भूपिन्दर सिंह को संसद के किसी भी सदन के या किसी राज्य की विधान सभा ग्रथवा

विधान परिषद् के सदस्य नुने जाने प्रौर चुन के लिए, स आदेश को ता बीब से तीन वर्ष की कालावधि के लिये निरहित घोषित करता है।

[स० पंजाब-वि० स०/31/69(3)]

आदेश से,

ए० एन० सेन, सचिव।

### ORDER

New Delhi, the 30th August 1969

**S.O. 3760.**—Whereas the Election Commission is satisfied that Shri Chuhan Ram, House No. 1955, Rajpura Town, a contesting candidate for the mid-term general election held in February, 1969 to the Punjab Legislative Assembly from Rajpura constituency, has failed to lodge an account of his election expenses as required by the Representation of the People Act, 1951, and the Rules made thereunder;

And whereas the said candidate, even after due notices, has not given any reason or explanation for the failure and the Election Commission is satisfied that he has no good reason or justification for the failure;

Now, therefore, in pursuance of section 10A of the said Act, the Election Commission hereby declares the said Shri Chuhan Ram to be disqualified for being chosen as, and for being, a member of either House of Parliament or of the Legislative Assembly or Legislative Council of a State for a period of three years from the date of this order.

[No. PB-LA/78/69(2).]

By Order,

K. S. RAJAGOPALAN, Secy.

### आदेश

निम्न दिल्ली, 30 अगस्त, 1969

**एस० ओ० 3761 :**—यह: निर्वाचन आयोग का समाधान हो गया है कि फरवरी, 1969 में हुए पंजाब विधान सभा के लिए मध्यावधि निर्वाचन के लिए राजपुरा निर्वाचन-क्षेत्र से चुनाव लड़ने वाले उम्मीदवार श्री चुहड़ राम, मकान संख्या 1955, राजपुरा टाउन (पंजाब), लोक प्रतिनिधित्व अधिनियम, 1951 तथा तदीन बनाये गये नियमों द्वारा अपेक्षित अपने निर्वाचन व्यवों का कोई भी लेखा दाखिल करने में असफल रहे हैं;

अर्थात्, उक्त उम्मीदवार उसे समयक सूचना दिए जाने पर भी लेखा दाखिल करने में असफल रहा है और उसने अपनी इस असफलता के लिए कोई कारण अथवा स्पष्टीकरण नहीं दिया है; तथा निर्वाचन आयोग का यह समाधान हो गया है कि उसके पास इस असफलता के लिए कोई पर्याप्त कारण या न्यायोचित नहीं है;

अतः, अब, उक्त अधिनियम की धारा 10-के अ सरण में निर्वाचन आयोग एतद्वारा उक्त श्री चुहड़ राम को संसद् के किसी भी सदन के या किसी राज्य की विधान सभा अथवा विधान परिषद् के मदस्य नुने जाने और होने के लिए, इस आदेश की तारीख से तीन वर्ष की कालावधि के लिए निरहित घोषित करता है।

[स० पंजाब-वि० स०/78/69(2)]

आदेश से,

एस० राजगोपालन, सचिव।

MINISTRY OF HOME AFFAIRS

New Delhi, the 6th September 1969

S.O. 3762.—In exercise of the powers conferred by sub-section (1) of section 492 of the Code of Criminal Procedure, 1898 (5 of 1898), the Central Government hereby appoints Shri V. R. Desai, Advocate of Bombay as Public Prosecutor to conduct the prosecution case relating to State *versus* M/s. International Frenchises Private Limited, Bombay and M/s. Geoffrey Manners & Company, Limited, Bombay (R.C. 26/EOW/66-Bombay), at every stage, including appeal and revision.

[No. 225/56/69-AVD(II).]

B. C. VANJANI, Under Secy.

गृह मंत्रालय

नई दिल्ली, 6 सितम्बर 1969

S.O. No. 3763.—दण्ड प्रक्रिया संहिता, 1898 (1898 का 5वां) की धारा 492 की उपधारा (1) द्वारा प्रवक्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार एवं द्वारा बम्बई के प्रधिकरण श्री वी.आर. वेसाई को राज्य बनाम मेसर्ज इन्टरनेशनल फ्रूचाइजेज प्राइवेट लिमिटेड, बम्बई तथा मेसर्ज जिग्रौफ मेनसं एण्ड कम्पनी, लिमिटेड, बम्बई (आर. सी. 26/ई. प्रो. डॉलू. 66-बम्बई), से संबंधित मुद्दमें के, अपील तथा पुनरीक्षण संहित, प्रत्येक प्रक्रम में कार्य—संचालन के लिए सोक प्रभियोजक के रूप में नियुक्त करती है।

[सं. 225/56/69-प्र. स. प्र. (2)]

भोजराज सी. वनजानी, अवर मंत्रिव।

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 9th September 1969

S.O. 3764.—In pursuance of clause (a) of section 2 of the Diplomatic and Consular Officers (Oaths & Fees) Act, 1948, the Central Government hereby authorises Shri E. M. Munisiff, Senior Executive Officer, in the High Commission of India, London, to perform the duties of a Consular Agent, with effect from the 21st July, 1969 until further orders.

[No. F. T.4330/7/69.1]

P. C. BHATTACHARJEE, Under Secy

MINISTRY OF FOREIGN TRADE AND SUPPLY

(Office of the Chief Controller of Imports and Exports)

ORDER

New Delhi, the 14th August 1969

S.O. 3765.—M/s. Shriram Viuyl and Chemical Industries, Kota were granted Licence No. P/D/2165351, dated 4th October 1968 from G.C.A. for the import of Spares valued Rs. 10,000. They have requested for the issue of duplicate Custom copy of the said licence, on the ground that the original copy of the licence has been lost/misplaced. The licence has been registered with Collector of Customs, Bombay and has not been utilised for any amount.

2. In support of their contention, the applicant have filed an affidavit. The undersigned is satisfied that the original Customs copy of the licence No. P/D/2165351 dated 4th October 1968 has been lost and directs that duplicate copy of the licence should be issued to them. The original Customs copy is cancelled.

3. The duplicate Customs copy of the licence is being issued separately.

[No. Ch/S-2(11)/A.M.69/R.M.3./1411.]

To,  
M/s. Shriram Vinyl & Chemical Industries,  
Shrirampur,  
Kota,  
Rajasthan.

G. D. BAHL,  
Dy. Chief Controller of Imports and Exports.

(Office of the Jt. Chief Controller of Imports and Exports)

ORDER

Bombay, the 8th September 1969

SUBJECT:—Order for cancellation of Exchange Control Copy of licence No. P/AU/1287027/C/XX/26/C/B.25.26/18/ME dated 17th January, 1968 for Rs. 2,728/- issued in favour of M/s. Aryodaya Spg. and Wvg. Co. Ltd. Ahmedabad.

S.O. 3766.—M/s. Aryodaya Spg. & Wvg. Co. Ltd. Ahmedabad were granted an import licence No. P/AU/1287027/C/XX, dated 17th January, 1968 for Rs. 2,728 for import of permissible items of dyes and chemicals in terms of dyes and Chemicals in terms of Public Notice No. 55 ITC(PN)/66 dated 26th April, 1966 from G.C.A. for Rs. 2,728/- has been lost or misplaced and I have directed that the duplicate of the Exchange Control Copy of the said licence, on the ground that the original exchange control copy has been lost or misplaced. It is further stated that the original licence was not registered with any Customs House and was partly utilised.

In support of this contention the applicants have filed affidavit on stamped paper duly attested before the City Magistrate Ahmedabad. I am satisfied that the original exchange control copy of the licence No. P/AU/1287027 dated 17th January, 1968 for Rs. 2,728/- has been lost or misplaced and I have directed that the duplicate of the Exchange Control Copy of the licence should be issued to the applicant. The original Exchange Control Copy of the licence No. P/AU/1287027/ dated 17th January 1968 is hereby cancelled.

(Issued from file No. 14/221/J.7/JS.67/EPL.I.)

[No. 1/68-69/EPSC-1A.]

SMT. M. D'COSTA,

Dy. Chief Controller of Imports and Exports  
for Jt. Chief Controller of Imports and Exports.

MINISTRY OF SHIPPING AND TRANSPORT

(Transport Wing)

New Delhi, the 8th September 1969

S. O. 3767.—In exercise of the powers conferred by section 4 of the Merchant Shipping Act, 1958 (44 of 1958), read with rule 3 of the National Shipping Board Rules, 1960, the Central Government hereby establishes National Shipping Board consisting of the following members, and nominates Shri M. V. Krishnappa to be the Chairman of the said Board, namely:—

|                              |   |  |
|------------------------------|---|--|
| 1. Shri M. V. Krishnappa     | } | Elected by Parliament.                 |
| 2. Shri C. C. Desai          |   |  |
| 3. Shri Hari Krishna         |   |  |
| 4. Shri Kameshwar Singh      |   |  |
| 5. Shri Mulka Govinda Reddy  |   |  |
| 6. Shri Y. Adinarayana Reddy |   |  |
| 7. Shri K. B. Lall           | } | Central Government<br>Representatives. |
| 8. Shri S. K. Datta          |   |  |
| 9. Shri C. P. Srivastava     |   |  |
| 10. Shri P. N. Jain          |   |  |
| 11. Rear Admiral N. Krishnan |   |  |
| 12. Shri K. C. Madappa       | J |  |

|   |  |
|---|--|
| 13. Shri A. Ramaswamy Mudaliar<br>14. Smt. Sumati Morarjee<br>15. Shri N. H. Dhunjibhoy<br>16. Shri J. D. Randeri<br>17. Shri Asit Mitra<br>18. Shri K. K. Khadilkar<br>19. Shri D. M. Parekh<br>20. Shri L. N. Birla<br>21. Shri H. M. Trivedi | } Representatives of<br>Shipowners<br>} Representatives of Seamen<br>} Other interests |
|---|--|

2. The Central Government hereby appoints Shri N. K. Gopalan Nair, Deputy Director General of Shipping, to be the Secretary of the Board.

[No. F. 37-MD (6)/69.]

#### LIGHTHOUSES AND LIGHTSHIPS

New Delhi, the 8th September 1969

**S.O. 3768.**—In pursuance of sub-section (1) of Section 4 of the Indian Lighthouse Act, 1927 (17 of 1927), the Central Government hereby appoints for a period of two years from the date of Publication of this notification a Central Advisory Committee consisting of the following persons, namely :—

|  |  |
|--|--|
| Chairman . . . . . Secretary, Ministry of Shipping and Transport.<br>Members . . . . . | 1. Director General of Shipping, Bombay.<br>2. Nautical Adviser to the Government of India.<br>3. Financial Adviser, Ministry of Shipping and Transport.<br>4. Chief Hydrographer, Indian Navy.<br>5. Deputy Secretary Incharge of the Department of Lighthouses and Lightships in the Ministry of Shipping and Transport.<br>6. Shri A. C. Raghava Menon C/o the Mercantile & Marine Services, Post Box No. 4, Cochin-3.<br>7. Captain G. H. Johnson, M/s. British India Steam Navigation Co., Limited, Mackinnon Mackenzie Building, Ballard Estate, Bombay-1.<br>8. Capt. M. L. Barua, Chief Executive, M/s. Thakur Shipping Co., Ltd., Clark House, 8 Wode House, Bombay-1.<br>9. Capt. B. D. Kataria, M/s. Dempo Steamship Limited, Moti Mahal, J. Tata Road, Church Gate, Bombay-1.<br>10. Shri C. P. Srivastava, Chairman and Managing Director, Shipping Corporation of India Limited, Steelcrete House, Dinshaw Wacha Road, Bombay.<br>11. Shri D. M. Parekh, Mul Ratna 331/34, Narsi Nathu Street, Bombay-9.<br>12. Shri C. R. Corera, C. O. S/S C. R. Corera and Brothers, 24, Emperor Street, Tutticorin-1.<br>13. Shri K. Narayana Rao, Member Lok Sabha, 36 South Avenue, New Delhi.<br>14. Shri B. K. Gaikwad, Member, Rajya Sabha, 15 Janpath, New Delhi.<br>15. Shri B. L. Mital, Deputy Conservator, Calcutta Port Commissioners, 15, Strand Road, Calcutta-1.<br>16. Director General of Lighthouses and Lightships, New Delhi (ex-officio Member Secretary). |
|--|--|

[No. F. 4-ML(7)/69]

JASWANT SINGH, Under Secy.

**MINISTRY OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS**

(Department of Industrial Development)

**ORDER**

*New Delhi, the 20th August, 1969*

**S.O. 3769/IDRA/6/5.**—In exercise of the powers conferred by Section 6 of the Industries (Development and Regulation) Act, 1951 (65 of 1951) read with Rules 2, 4 and 5 of the Development Councils (Procedural) Rules, 1952, the Central Government hereby appoints, for a period of two years with effect from the date of this Order, the following persons to be members of the Development Council for Instruments Industry:—

**DEVELOPMENT COUNCIL FOR INSTRUMENTS INDUSTRY**

*Chairman*

1. Dr. P. S. Gill, Director, Central Scientific Instruments Organisation, Sector 30, Chandigarh.

*Members*

2. Shri P. V. Subba Rao, Technical Officer, The Andhra Scientific Company Limited, Cantonment Road, P.B. No. 26, Masulipatam. (South India).
3. Shri V. R. Chander, Works Manager Radio and Electricals Manufacturing Company Ltd., P.B. No. 6, Mysore Road, Bangalore.
4. Shri K. K. Rohatgi, Deputy Manager, Government Precision Instruments Factory, P.B. No. 153, Lucknow.
5. Shri B. Rathke, Universal Electrics Limited, 15, Indian Exchange Place, Calcutta—1.
6. Shri M. Panikkar, Chief Engineer, Mahindra and Mahindra Limited, Instrumentation & Electronics Division, 6, Little Russel Street, Calcutta—16.
7. Shri Lakshmi Sagar, The Oriental Science Apparatus Workshops, Ambala Cantt.
8. Shri C. L. Anand, Anand Water Meter Manufacturing Company, P.B. No. 1077, XXIII/376, Mahatma Gandhi Road, Ernakulam; Cochin-11 (Kerala).
9. Shri Netar K. Sahgal, Meters & Instruments Private Limited, Connaught Circus, P.B. No. 463, New Delhi.
10. Shri G. K. Mehta, Photo Electric Instruments, Diwan House, Mehta Market, Jodhpur (Rajasthan).
11. Brigadier B. J. Shahaney, Managing Director, Instrumentation Limited, Kota—5. (Rajasthan).
12. Shri M. G. Bhatt, Automatic Electric Private Ltd., Rectifier House, 570, Nalgaum Cross Road, P.B. Box: 7103, Bombay—31.
13. Shri V. Ramamrutham, Marketing Manager, Light & Instrument Division, Philips India Limited, Shivsagar Estate, Block 'A'; Dr. Annie Besant Road, P. B. No. 6598, Worli; Bombay—18(WB).
14. Shri T. P. G. Nambiar British Physical Laboratories India Pvt. Ltd., 28, K. H. Road, Bangalore—27.
15. Shri M. M. Parekh, Director, Industrial Jewels Ltd., Kamani Chambers, Nicol Road, Ballard Estate, Bombay—1.
16. Dr. G. R. Toshniwal, Chairman, Toshniwal Bros. Pvt. Limited, Mahatma Gandhi Road, Ajmer.
17. Shri C. L. Batra, Towa Optics (India) Pvt. Limited, 4, Daryaganj, P.B. No. 1685, Delhi—6.
18. Shri N. Balasundaram, Eastern Electronics (Delhi) Pvt. Limited, 1-2, Industrial Area, Faridabad. (Haryana).
19. Shri D. R. Sundaram, Joint Secretary, Ministry of Industrial Development, Internal Trade and Company Affairs (Department of Industrial Development) New Delhi.
20. Shri V. P. S. Menon, Industrial Adviser, D.G.T.D., Udyog Bhavan, New Delhi.

21. Shri M. V. Patankar, Director (Mech. Engg.), Indian Standards Institution, Manak Bhavan, 9, Bahadurshah Zafar Marg, New Delhi-1.
22. Shri Krishna Kumar Chatterji, Member, Lok Sabha, New Delhi-1.
23. Dr. V. G. K. Murti, Electrical Engineering Department, Indian Institute of Technology, I.I.T. P.O., Madras-36.
24. Shri A. Parthasarthy, Senior Research Officer, Department of Atomic Energy, C.S.M. Marg, Bombay-1.
25. Shri B. H. Biswas, Asstt. Superintendent, Energy & Economy Department, Rourkela Steel Plant, Rourkela (Orissa).
26. Shri J. Satyanesan, Additional Chief Engineer (Instrumentation), The Fertilizer Corporation of India, F-43, South Extension Area, Part I, Ring Road, New Delhi-31.
27. Shri K. Bhaskaran, Senior Contracts Engineer (Commercial Deptt.), Bharat Heavy Electricals Ltd., Boiler Plant Project P.O., Tiruchirapalli-14.
28. Shri V. Krishnamoorthy, Development Officer (Instruments Dte.), Dte. General, Technical Development.

Shri V. Krishnamoorthy, D.O. (Instruments)/Member is hereby appointed to carry out the function of the said Development Council as Member-Secretary.

[No. L.E.I(A)-3(5)/66.]

D. R. SUNDARAM, Joint Secy.

## श्रौद्धोगिक विकास, आन्तरिक स्थापार तथा समवाय कार्य मंत्रालय (श्रौद्धोगिक विकास विभाग)

### आवेदन

नई दिल्ली 20 अगस्त, 1969

एस० ओ० 3770 प्राई० डी० आर० ए०/६/५—उद्योग (विकास तथा विनियमन)।—  
अधिनियम, 1951 (1951 का 65) की धारा 6 के द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए तथा विकास परिषद् (प्रक्रिया सम्बन्धी) नियम, 1952 के नियम 2, 4 और 5 के साथ पढ़ते हुए केन्द्रीय सरकार एतद्वारा निम्नलिखित व्यक्तियों को इस आदेश की तिथि के २ वर्षों की अवधि के लिए यथं उद्योग की विकास परिषद् का सदस्य नियुक्त करती है:—

### यथं उद्योग की विकास परिषद्

#### प्रध्यक्ष

1. डॉ० पी० एस० गिल, निदेशक, केंद्रीय वैज्ञानिक यंत्र संगठन, खण्ड 30, चण्डीगढ़।

#### सदस्य

2. श्री पी० वी० सुब्बाराव, तकनीकी अधिकारी, दी आन्ध्र साइंटीफिक क० लि०, कैटूनैड रोड, ऐस्ट बाक्स सं० 26, मसलीपटम (दक्षिण भारत)।
3. श्री वी० आर० चन्द्र, निर्माण प्रबन्धक, रेडियो एण्ड सेविक्स हैंड्स कैम्पचरिंग क० लि०, पोस्ट बाक्स सं० 6, मैसूर रोड, बंगलौर।
4. श्री कै० कै० रोहतगी, उप-प्रबन्धक, गवर्नरेट सिजन इंसेट्स फैक्टरी, ऐस्ट बाक्स सं० 153, लखनऊ।

5. श्री बी० राथके, यूनिवर्सल इलेक्ट्रिक्स लि०, 15, इण्डियन एक्सचेंज प्लेस, कलकत्ता-1
6. श्री एम० पाणिङ्कर, मुख्य अभियंता, महेन्द्रा एण्ड महेन्द्रा लि०, 'स्ट्रू मेटेशन एण्ड लेक्ट्रोनिक्स डिवीजन, 6, लिटिल रसेल स्ट्रीट, कलकत्ता-16
7. श्री लक्ष्मी सागर, दि ओरिएटल साइम एप्रेट्स बर्फशाप, अम्बाला कैण्ट।
8. श्री जी० एल० आनन्द, आनन्द वाटर मोटर मन्युफैशनिंग क०, पोस्ट बाक्स म० 1077, XXIII 376, महात्मा गांधी डोड, एर्नाकुलम, कोचीन-11 (केरल)।
9. श्री नेतर के० सहगल, मोटर्स एण्ड इस्ट्रूमेंट्स प्रा० लि०, कनाट सर्कस, पोस्ट बाक्स स० 463, नई दिल्ली।
10. श्री जी० के० मेहता, फोटो लेक्ट्रिक स्ट्रूमेंट्स, दीवान हाउस, मेहता मार्केट, जोधपुर (राजस्थान)।
11. ब्रिगेडियर बी० जी० माहनी, प्रबन्ध निदेशक, इस्ट्रूमेंटेशन लि०, कोटा-5 (राजस्थान)।
12. श्री एम० जी० भट्ट, आटोमेटिक इवेंक्ट्रिक प्रा० लि०, रेकटीकायर हाउस, 570, नैगांवकास रोड, पोस्ट बाक्स 7103, बम्बई-31
13. श्री बी० रामसरूतम, विषयन प्रबन्धक, लाइट एण्ड इस्ट्रूमेंट डिवीजन, फिलिप्स इंडिया लि०, शिवामगर एस्टेट, द्वाका "ए", 510, एनीबेसेट रोड, पोस्ट बाक्स स० 6598, बर्डी, बम्बई-18 (इंडिया बी)।
14. श्री टी० पी० जो० नम्बियार, ग्रिटिंग फिजिकल लैबोरेट बीज इण्डिया प्रा० लि०, 28, के० एच० डोड, बगलौर-27
15. श्री एम० एम० पारिख, निदेशक, हैण्डस्ट्रूयल ज्वल्स लि०, कमा बी-चैम्बरी, निकील रोड, बेलार्ड एस्टेट, बम्बई-1
16. डा० जी० आर० तोषीवाल, अध्यक्ष, तोषीवाल ब्रदर्स प्रा० लि०, महात्मा गांधी रोड, अजमेर।
17. श्री सी० एल० बन्ना, तोषी आर्टिक्स (इण्डिया) प्रा० लि०, 4, दरियागंज, पोस्ट बाक्स स० 1683, दिल्ली-6
18. श्री एम० बालसुन्दरम, इस्टर्न इन्ड्रोनिक्स (दिल्ली) प्रा० लि०, 1-2, इण्डिस्ट्रियल एरिया, फरदावाद (हरियाणा)।
19. श्री डी० आर० सुन्दरम, संयुक्त सचिव, औद्योगिक विकास, आन्तरिक व्यापार तथा ममवाय-कार्य मंत्रालय (औद्योगिक विकास विभाग), नई दिल्ली।
20. श्री बी० बी० एस० मेनन, औद्योगिक सलाहकार, तकनीकी विकास का महानिदेशालय, उद्योग भवन, नई दिल्ली।
21. श्री एम० पी० पाटकर, निदेशक (मकेनिकल इंजीनियरिंग), भारतीय मानक संस्था, मानक भवन, 9, बहादुरशाह ज़कर मार्ग, नई दिल्ली-1
22. श्री कृष्णकुमार चटर्जी, सदस्य, लोक सभा, नई दिल्ली-1

## सदस्य

23. डा० बी० जी० के० मूर्ति, विद्युत इंजीनियरी विभाग, इण्डियन इस्टीट्यूट आफ टेक्नालोजी, डाकघासा आई० आई० टी०, मदास-36

24. श्री ए० पार्थसारथी, वरिष्ठ अनुसंधान अधिकारी, परमाण ऊर्जा विभाग, सी० एस० एम० मार्ग, बम्बई-१
25. श्री बी० एच० विश्वास, सहायक अधीक्षक, ऊर्जा तथा अर्थ-व्यष्टि स्थाविभाग, राउरकेला इस्पात यव, राउरकेला (उड़ीसा)।
26. श्री जे० सत्यनेशन, अतिरिक्त मुख्य अभियंता (इस्ट्रूमेटेशन), दि कॉटलाइजर कारपोरेशन आफ इडिया, एफ-४३, साउथ एक्सटेशन एरिया, पार्ट-१, रिंग रोड, नई दिल्ली-३१
27. श्री के० भास्करन, वरिष्ठ सम्बिद्ध अभियंता, (वाणिज्यिक विभाग)।
28. श्री बी० कृष्णामूर्ति, विकास अधिकारी (इस्ट्रूमेट्स भवानिदेशालय) तकनीकी विकास का भवानिदेशालय।

श्री बी० कृष्णामूर्ति, विकास अधिकारी (इस्ट्रूमेट्स)/सदस्य को सदस्य-सचिव के रूप में विकास परिषद् के कार्य को कार्यान्वित करने के लिए नियुक्त किया जाता है।

[सं० एल० ई० आई० (ए)/३ (५)/६६]

डी० आर० सुन्दरम्,  
संयुक्त सचिव।

## (Department of Industrial Development)

(Indian Standards Institution)

New Delhi, the 3rd September 1969

**S. O. 3771.**—In pursuance of regulation 4 of the Indian Standards Institution (Certification Marks) Regulations, 1955, the Indian Standards Institution hereby notifies that amendment(s) to the Indian Standard(s) given in the schedule hereto annexed have been issued under the powers conferred by the sub-regulation (1) of Regulation 3 of the said Regulations.

## THE SCHEDULE

| Serial No. and title of the Indian Standard amended  | No. and date of Gazette of the Notification in which the establishment of the Indian Standard was notified | No. and Date of the Amendment | Brief particulars of the Amendment  | Date from which the amendment shall have effect |   |
|--|--|-------------------------------|---|---|---|
| 1  | 2  | 3                             | 4   | 5   | 6 |
| 1 IS :101-1964 Methods of test for ready mixed paints and enamels (Second revision).                       | S.O. 3059, dated 2 October 1965.   | No. 1 August 1969             | The amendment aims at improving the procedure for sampling, test for protection against corrosion under conditions of condensation and flexibility and adhesion.  | 1 August 1969                                   |   |
| 2 IS : 189-1956 Specification for tamarind kernel powder for use in the cotton textile industry (revised). | S.R.O. 825, dated 16 March 1957.   | No. 1 July 1969               | (i) Clauses 0.5, 0.8 and B-1.1 have been amended, (ii) Clauses 0.7, 4.3 and D-1.1 have been substituted by new ones and (iii) Informal table in Note under clause D-3.1 has been substituted by a new one.  | 25 July 1969                                    |   |
| S : 268-1959 Specification for leclanche type sack cells (revised).  | S.O. 1037 dated 30 April 1960.   | No. 5 July 1969.              | (i) Clauses 0.4 and 0.4.1 have been deleted and the subsequent clauses '0.5 to 0.8' re-numbered as '0.4 to 0.7'. (ii) Clause 0.5 (re-numbered 0.4) and 7.2.2 have been substituted by new ones and (iii) Clauses 5.4.2, 5.5.2, 7.1 and 8.1 have been amended. | 31 July 1969                                    |   |

|    |   |                       |   |                |
|----|---|-----------------------|---|----------------|
| 4  | ISI : 300-1968 Specification for the National Flag of India (silk khadi) ( <i>second revision</i> ).<br>S.O. 4425 dated 14 December, 1968.                          | No. 1<br>July 1969    | Table 5 has been amended  | 31 July 1969   |
| 5  | IS : 366-1965 Specification for electric irons ( <i>revised</i> ).<br>S.O. 1972 dated 10 June 1967.   | No. 1<br>July 1969.   | This amendment is being issued to make reference to IS : 302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ). | 4 July 1969    |
| 6  | IS : 367-1965 Specification for electric kettles ( <i>revised</i> ).<br>S.O. 2033 dated 17 July 1965.   | No. 1<br>August 1969  | This amendment is being issued to make reference to IS : 302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ). | 1 August 1969  |
| 7  | IS : 368-1963 Specification for electric immersion water heaters ( <i>revised</i> ).<br>S.O. 226 dated 16 January 1965  | No. 3<br>July 1969.   | Do.   | 3 July 1969    |
| 8  | IS : 369-1965 Specification for electric radiators ( <i>revised</i> ).<br>S.O. 3450 dated 6 November 1965.  | No. 1<br>August 1969. | Do.   | 25 August 1969 |
|    | IS : 400-1968 Specification for the National Flag of India (Wool Khadi) ( <i>second revision</i> ).<br>S.O. 4599 dated 28 October 1968.                             | No. 1<br>July 1969.   | Table 5 has been amended  | 1 July 1969    |
|    | IS : 781-1967 Specification for sand-cast brass screw-down bib taps and stop taps for water services ( <i>first revision</i> ).<br>S.O. 683 dated 24 February 1968. | No. 2<br>August 1969. | Table 3 has been amended  | 1 August 1969  |
| 11 | IS : 959-1966 Specification for electric soldering irons ( <i>revised</i> ).<br>S.O. 2419, dated 13 August 1966.  | No. 2<br>August 1969. | This amendment is being issued to make reference to IS : 302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ). | 5 August 1969  |
| 12 | IS : 1287-1965 Specification for electric toasters ( <i>revised</i> ).<br>S.O. 2042 dated 26 June 1965.   | No. 1<br>July 1969    | Do.   | 31 July 1969   |
| 13 | IS : 1376-1968 Specification for cotton sewing threads for aeronautical purposes. ( <i>first revision</i> ).<br>S.O. 3961 dated 9 November 1968.                    | No. 1<br>July 1969.   | [Page 6, Note 3 under clause 7.5(b)]—Add the following new note after Note 3:<br><br>‘NOTE 4.—The value of the constant k is equal to 0·6’  | 31 July 1969   |

| 1   | 2   | 3                                       | 4                    | 5   | 6             |
|---|---|---|----------------------|---|---------------|
| 14  | IS : 1415-1966 Specification for electric hand-lamps ( <i>revised</i> ).                                  | S.O. 4023 dated<br>31 December<br>1966. | No. 1<br>July 1969   | This amendment is being issued to make reference to IS:302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ). | 31 July 1969  |
| 15  | IS : 1416-1959 Specification for extra low voltage transformers.  | S.O. 1037 dated<br>30 April 1960        | No. 1<br>July 1969.  | This amendment is being issued to make reference to IS:302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1951 General Requirements for Electrical Appliances for Domestic Use.                            | 31 July 1969  |
| 16  | IS : 1853-1961 Specification for self-indicating and semi-self indicating counter type weighing machines. | S.O. 1767 dated<br>9 June 1962          | No. 1<br>July 1969.  | (Page 3, clause 4.2 line 4)—Delete the words 'excluding springs'.   | 31 July 1969. |
| 17  | IS : 1854-1964 Specification for person weighing machines ( <i>revised</i> ).                             | S.O. 2874 dated<br>22 August 1964.      | No. 3<br>July 1969.  | Table I has been amended and a new clause 4.5.3. has been added.  | 31 July 1969  |
| 18  | IS : 2268-1966 Specification for electric call bells and buzzers for indoor use ( <i>revised</i> ).       | S.O. 4023 dated<br>31 December 1966     | No. 1<br>August 1969 | This amendment is being issued to make reference to IS:302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ). | 1 August 1969 |
| 19  | IS : 2285-1963 Specification for cast iron surface plates.  | S.O. 2160 dated<br>3 August 1963.       | No. 3<br>July 1969.  | Clause 5.3.2 has been substituted by a new one.   | 28 July 1969  |
| 20  | IS : 2556 (Part I)-1967 Specification for vitreous sanitary appliances (vitreous china).                  | S.O. 2766 dated<br>10 August 1968.      | No. 1<br>June 1969.  | [Page 14, clause B-2.2 (b)]—Substitute 'sodium hypochlorite' for 'sodium hypochloride'.   | 28 July 1969  |
| <b>Part I general requirements (<i>first revision</i>).</b> |   |   |                      |   |               |
| 21  | IS : 2652 -1964 Schedule of terminals for Leclanche type primary batteries.                               | S.O. 3865 dated<br>14 November<br>1964  | No 3<br>June 1969.   | [Page 5, clause 4.3, foot-note with an asterisk (*) mark]—Substitute the following for the existing matter:<br>* IS : 4218-1967 ISO metric screw threads.'  | 1 June 1969   |
| 22  | IS : 2782-1964 Specification for primary nickel   | S.O. 4120 dated<br>5 December<br>1964.  | No. 1<br>May 1969    | Clause 6.2.2.2 has been substituted by a new one.   | 1 May 1969    |

|    |  |  |  |  |
|----|--|--|--|--|
| 23 | IS : 2931-1964 Specification for ready mixed paint, brushing, aluminium-zinc oxide composite primer. | S.O. 2134, dated No. 1<br>3 July 1965. June 1969.          | (i) (Page 5, clause 3.1.1 second line from the top)—Substitute '(conforming to Grade 2 of IS : 213-1968)', for '(Conforming to IS : 214-1956)',<br>(ii) [Page 5, foot-note marked with a dagger(†)]—Substitute the following for the existing foot-note:<br>'Specification for solvent naphtha.' | 8 June 1969                                    |
| 24 | IS : 2994-1965 Specification for electric stoves.  | S.O. 3059, dated No. 4<br>2 October 1965. July 1969.       | This amendment is being issued to make reference to IS : 302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ).<br><br>Do.     | 1 July 1969.<br>5 August 1969.                 |
| 25 | IS : 3017-1965 Specification for thermostats for use with electric water heaters.                    | S.O. 2673 dated No. 1<br>28 August 1965. July 1969.        | Clause 4.1 has been substituted by a new one and new matter added in clause 3.2.   | 1 August 1969                                  |
| 26 | IS : 3151-1965 Specification for earthing transformers.  | S.O. 3059 dated No. 2<br>2 October 1965. August 1969.      | This amendment is being issued to make reference to IS : 302-1967 General and Safety Requirements for Light Electrical Appliances ( <i>Third Revision</i> ) in place of IS : 302-1963 General and Safety Requirements for Light Electrical Appliances ( <i>Second Revision</i> ).<br><br>Do.     | 1 August 1969                                  |
| 27 | IS : 3481-1966 Specification for electric portable lamp stands and brackets.                         | S.O. 2419 dated No. 2<br>13 August 1966. August 1969.      | Clauses 2.1, 3.1 and foot-note No. 1 with an asterisk (*) mark at page 4 have been amended.<br><br>Do.   | 1 August 1969                                  |
| 28 | IS : 3482-1966 Specification for electric saucers.   | S.O. 2419 dated No. 2<br>13 August 1966. August 1969.      | Clause 1.1 has been amended and a new variety included in Table 1 at page 3 and informal table in clause 4.2.<br><br>[Page 10, col. 9 against Sl. No. iv (e)]—Substitute '2.95' for '0.95'.  | 1 July 1969.<br>1 August 1969<br>1 August 1969 |
| 29 | IS : 3514-1966 Specification for electric coffee percolators (non-regulator type).                   | S.O. 241 dated No. 1<br>21 January, 1967. July 1967.       | [Page 10, col. 9 against Sl. No. iv (e)]—Substitute '2.95' for '0.95'.   | 1 August 1969                                  |
| 30 | IS : 3725-1966 Specification for resistance wires, tapes and strips for heating elements.            | S.O. 469 dated No. 1<br>11 February August 1969.<br>1967.  | Do.  | 1 August 1969                                  |
| 31 | IS : 4229-1967 Specification for nylon sewing threads for aeronautical purposes.                     | S.O. 4080 dated No. 2<br>18 November August 1969.<br>1967. | Do.  | 1 July 1969.                                   |
| 32 | IS : 4522-1968 Specification for heat resistant alloy steel castings.                                | S.O. 3668 dated No. 1<br>12 October 1968 July 1969.        | Do.  | 1 July 1969.                                   |

| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
|---|---|---|---|---|---|

33 IS : 4855-1968 Specification for bright steel bars for machining. S.O. 3098 dated 2 August 1969. No. 1 (Page 5, Table 2, col. 2)—Substitute  
 2 August 1969. August 1969. +0.00 —0.00  
 —0.075 for —0.75 1 August 1969.

Copies of these amendments are available with the Indian Standards Institution, 'Mark Bhavan', 9 Bahadur Shah Zafar Marg, New Delhi-I, and also its branch offices at (i) 534, Sardar Vallabhbhai Patel Road, Bombay-7 (ii) 5 Chowinghee Approach, Calcutta-13 (iii) 54 General Patters Road, Madras-2 (iv) 117/418 B Sarvodaya Nagar, Kanpur and (v) 5-9-201/2 Chirag Ali Lane, Hyderabad-I.

[No. CMD/13:5]

New Delhi, the 8th September 1969

**S.O. 3772.**—In partial modification of the Notification Published in the Gazette of India, Part II, Section 3(ii) dated 28 June 1969, under number S.O. 2551 dated 11 June, 1969, it is, hereby, notified that the period of Validity of Licence No. CM/L-1973 dated 26 May, 1969 referred to at S. No. 11 of Col. 3 of the schedule thereof shall be amended to read as follows:

'1-8-1969 to 31-7-1970'.

[No. CMD/13:11.]

A. K. GUPTA,  
Deputy Director General

**THE MADRAS CENTRAL EXCISE COLLECTORATE, MADRAS  
CUSTOMS**

Madras the 29th August, 1969

**S.O. 3773.**—In exercise of the powers conferred by sub-section 34 of Section 2 of the Customs Act, 1962, I, S. Venkataraman, Collector of Central Excise, Madras hereby appoint the officers mentioned in column 1 of the Schedule below as Proper Officers in respect of the Section of the Customs Act, 1962, mentioned in column 2 of the said Schedule.

**SCHEDULE**

I

2

Inspectors of Central Excise posted at the minor ports of Section 40 of the Customs Act Pondicherry, Rameswaram, Tuticorin & Nagapattinam and 1962.  
at the Airport at Tiruchirapalli.

[C. No. VIII/1/1/63-CUS.]

S. VENKATARAMAN,  
Collector.

**CENTRAL EXCISE COLLECTORATE M.P. AND VIDARBHA, NAGPUR**

**CENTRAL EXCISES**

Nagpur, the 30th August, 1969

**S.O. 3774.**—In exercise of the powers conferred upon me under Rule 5 of the Central Excise Rules, 1944, I hereby empower the Central Excise Officers specified in column 3 of the subjoined table to exercise within their jurisdiction the powers of the "Collector" under the Central Excise Rules enumerated in column 2 thereof subject to the limitation set out in column 4 of the said table.

**TABLE**

| S.No. | C.Ex. Rules | Rank of Officer  | Limitation, if any   |
|-------|-------------|--|--|
|       |             | 3  | 4  |
| 1     | 96ZH(1)     | All officers of and above the rank of Superintendent of C. Ex. | First A.S.P. (Application) may be accepted by the Officer not below the rank of Assistant Collector. |

| 1 | 2                 | 3   | 4   |
|---|-------------------|---|---|
| 2 | 96ZH(2)           | All officers of and above the rank of Assistant Collectors.                   |   |
| 3 | 96ZH(4)           | All officers of and above the rank of Superintendents of Central Excise.      | (a) Power of accepting renewal applications from A.S.P. shall be exercised by Supdt. of C. Ex.<br><br>(b) (i) Where delay in presenting the A.S.P. is not more than 10 days the Supdt. C. Ex. shall exercise power of condoning delay.<br>(ii) Where delay in presenting the A.S.P. exceeds 10 days, Assistant Collector C. Ex. shall exercise the Power. |
| 4 | 96ZH(5)           | All Officers of and above the rank of Assistant Collectors of C. Ex.          |   |
| 5 | 96ZI(4)           | All officers of and above the rank of Assistant Collectors of Central Excise. |   |
| 6 | 96ZL(i) to (iii). | Adjudicating Officers.  | To demand duty to confiscate goods and to impose penalty in accordance with their limits of adjudication powers.  |

[No. 2/1969.]

M. L. ROUTH, Collector.

### COLLECTORATE OF CUSTOMS AND CENTRAL EXCISE

#### CENTRAL EXCISES

Cochin 2nd September 1969

S.O. 3775.—In exercise of the powers conferred by rule 233 of the Central Excise Rules, 1944, I hereby rescind the notification No. 2/66 dated 7th July, 1966 issued by this Collectorate.

[No. 6/69.]

M. C. DAS, Collector.

### MINISTRY OF FINANCE

#### (Defence division)

New Delhi, the 10th September 1969

S.O. 3776.—In exercise of the powers conferred by the proviso to article 309 and clause (5) of article 148 of the Constitution, the President hereby makes the following regulations further to amend the Civil Service Regulations, namely:—

- (1) These regulations may be called the Civil Service (Ninth Amendment) Regulations 1969.
- (2) They shall come into force on the date of their publication in the official gazette.

2. In the Civil Service Regulations, under Part III of Appendix No. 1, the following shall be added at the end, namely:—

| Sl. No. | Government, Administration, Department or Officer | Powers   |
|---------|---|--|
| 43      | Director General of Border Roads                  | <ol style="list-style-type: none"><li>1. Full powers in respect of officers under their orders who are not appointed directly by the Government of India and as regards all other officers under Article 299(a)</li><li>2. Powers under Article 459 are exercised in respect of all officers subordinate to him.</li></ol> |

[No. BRS/905/3962/S.]  
B. S. BHALLERAO,  
Assistant Financial Adviser & Under Secy.

## (Department of Expenditure)

New Delhi, the 5th September 1969

**S.O. 3777.**—In exercise of the powers conferred by sub-rule (2) of rule 9, clause (b) of sub-rule (2) of rule 12 and sub-rule (1) of rule 24 read with rule 34 of the Central Civil Services (Classification, Control and Appeal) Rules, 1965, the President hereby makes the following further amendment in the notification of the Ministry of Finance (Department of Expenditure) No. S.R.O. 639, dated the 28th February, 1957, namely:—

In the said notification, for the existing Schedule the following Schedule shall be substituted; namely:—

## SCHEDULE

| Description of post | Appointing Authority | Authority competent to impose Penalties and penalties which it may impose (with reference to item numbers of penalties specified in Rule 11) | Appellate Authority (with reference to item Nos. of penalties specified in rule 11) |   |
|---------------------|----------------------|--|---|---|
| 1                   | 2                    | 3  | 4   | 5 |
|                     |                      | AUTHORITY  |   |   |

## PART I—GENERAL CENTRAL SERVICE, CLASS II

INDIAN AUDIT & ACCOUNTS  
DEPARTMENT

*Office of the Comptroller and Auditor General of India.*

|  |   |   |              |  |
|--|---|---|--------------|--|
| Administrative Officer, Asstt. Private Secretary to the Comptroller and Auditor General. | Deputy Comptroller and Auditor General. | Deputy Comptroller and Auditor General. | All General. | For (i) to (iv) Comptroller and Auditor General.<br>For (v) to (ix) President. |
|--|---|---|--------------|--|

*All Accounts and Audit Offices Sub-  
ordinate to the Comptroller and  
Auditor General*

|                                    |  |  |     |  |
|------------------------------------|--|--|-----|--|
| Accounts Officer<br>Audit Officer. | Additional Deputy Comptroller and Auditor General (Commercial).  | Additional Deputy Comptroller and Auditor General (Commercial).  | All | For (i) to (iv) Comptroller and Auditor General.<br>For (v) to (ix) President. |
|                                    | Accountant General.  | Accountant General.  |     |  |
|                                    | Addl. Accountant General.  | Addl. Accountant General.  |     |  |
|                                    | Director of Audit, Defence Services.<br>Chief Auditor, Railways. | Director of Audit, Defence Services.<br>Chief Auditor, Railways. |     |  |

*Indian Audit and Accounts Service  
Staff College.*

|   |           |          |     |
|---|-----------|----------|-----|
| Administrative Officer<br>Accounts Officer. | Director. | Director | All |
|---|-----------|----------|-----|

**PART II—GENERAL CENTRAL SERVICE, CLASS III**

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**

*Office of the Comptroller and Auditor  
General of India*

|  |  |  |             |  |
|--|--|--|-------------|--|
| Subordinate Accounts Service (i.e.<br>Superintendents and Asstt.<br>Superintendents).      | Deputy Comptroller and Auditor<br>General.     | Deputy Comptroller and Auditor<br>General.     | All         | Comptroller and Auditor<br>General.        |
| Subordinate Railway Audit Service<br>(i.e. Superintendents and Asstt.<br>Superintendents). |  | Asstt. Comptroller and Auditor<br>General (P). | (i) to (iv) | Deputy Comptroller and Auditor<br>General. |
| All other posts  | Asstt. Comptroller and Auditor<br>General (P). | Asstt. Comptroller and Auditor<br>General (P). | All         | Deputy Comptroller and Auditor<br>General. |

*All Accounts and Audit Offices Sub-  
ordinate to the Comptroller and Audi-  
tor General.*

|   |   |  |     |   |
|---|---|--|-----|---|
| Subordinate Accounts Service ;<br>Subordinate Rly. Audit Service. | Addl. Deputy Comptroller and<br>Auditor General (Com.).<br>Accountant General.<br>Additional Accountant General.<br>Director of Audit Defence Services. | Addl. Deputy Comptroller and<br>Auditor General (Com.).<br>Accountant General.<br>Additional Accountant General.<br>Director of Audit, Defence Services. | All | Deputy Comptroller and Auditor<br>General Addl. Deputy Com-<br>ptroller and Auditor General<br>(Rlys.) and Ex-Officio Director of<br>Rlys. Audit. |
|---|---|--|-----|---|

| 1                | 2  | 3  | 4   | 5   |
|------------------|--|--|---|---|
|                  |  |  |   |   |
|                  | Director of Audit Indian Accounts<br>in U.K., London.<br>Director of Audit, Indian Accounts<br>in U.S.A., Washington.<br>Chief Auditor, Railways.  | Director of Audit Indian Accounts<br>in U.K., London.<br>Director of Audit Indian Accounts<br>in U.S.A., Washington.<br>Chief Auditor, Railways.   |   |   |
| All other posts. | Controller of Accounts;<br>Senior Deputy Accountant General;<br>Deputy Accountant General;<br>Deputy Controller of Accounts<br>Examiner, Local Audit Depart-<br>ment;<br>Director of Audit and Accounts,<br>Posts and Telegraphs | Controller of Accounts;<br>Senior Deputy Accountant General;<br>Deputy Accountant General;<br>Deputy Controller of Accounts,<br>Examiner, Local Audit Depart-<br>ment;<br>Director of Audit and Accounts<br>Posts and Telegraphs | (i) to (iv) Additional Deputy Comptroller<br>and Auditor General (Coml.)<br>Accountant General,<br>Additional Accountant General.<br>Director of Audit, Defence<br>Services.<br>Director of Audit Indian Accounts<br>in U.K., London.<br>Director of Audit Indian Ac <sup>q</sup> ounts<br>in U.S.A., Washington.<br>Chief Auditor, Rlys. | All<br>Addl. Deputy Comptroller and<br>Auditor General (Coml.)<br>Accountant General,<br>Addl. Accountant General;<br>Director of Audit Defence Services;<br>Director of Commercial Audit;<br>Director of Audit Indian Accounts<br>in U.K., London. |

|   |   |  |  |
|---|---|--|--|
| Deputy Director of Audit and Accounts, Posts and Telegraphs, Senior Deputy Director of Audit, Defence Services. | Deputy Director of Audit and Accounts, Posts and Telegraphs, Senior Deputy Director of Audit, Defence Services. | Deputy Director of Audit Indian Accounts in U.K., London         | Deputy Director of Audit, Indian Accounts in U.K., London.       |
| Deputy Director of Audit, Defence Services;   | Deputy Director of Audit, Defence Services;   | Deputy Director of Audit Indian Accounts in U.K., London;        | Deputy Director of Audit, Indian Accounts in U.K., London.       |
| Chief Auditor, Commercial Accounts;   | Chief Auditor, Commercial Accounts;   | Deputy Director of Audit Indian Accounts in U.S.A., Washington;  | Deputy Director of Audit, Indian Accounts in U.S.A., Washington; |
| Deputy Chief Auditor, Commercial Accounts;  | Deputy Chief Auditor, Commercial Accounts;  | Deputy Director of Audit, Indian Accounts in U.S.A., Washington; | Deputy Director of Audit, Indian Accounts in U.S.A., Washington; |
| Senior Deputy Director of Audit, Indian Accounts in U.K., London  | Senior Deputy Director of Audit, Indian Accounts in U.K., London.   | Deputy Director of Audit, Indian Accounts in U.S.A., Washington; | Deputy Director of Audit, Indian Accounts in U.S.A., Washington; |
| Deputy Director of Audit Indian Accounts in U.K., London;   | Deputy Director of Audit Indian Accounts in U.K., London.   | Deputy Chief Auditor, Railways.                                  | Deputy Chief Auditor, Railways.                                  |

*Indian Audit and Accounts Service Staff College*

|           |          |                |     |   |
|-----------|----------|----------------|-----|---|
| All posts | Director | Director . . . | All | Deputy Comptroller and Auditor General. |
|-----------|----------|----------------|-----|---|

## PART III—GENERAL CENTRAL SERVICE, CLASS IV

*Indian Audit and Accounts Department**Office of the Comptroller and Auditor General*

|                     |  |  |     |   |
|---------------------|--|--|-----|---|
| All posts . . . . . | Asstt. Comptroller and Auditor General | Asstt. Comptroller and Auditor General | All | Deputy Comptroller and Auditor General. |
|---------------------|--|--|-----|---|

|   |           |                        |             |  |
|---|-----------|------------------------|-------------|--|
| All Accounts and Audit Offices Subordinate to the Comptroller and Auditor General (Including Head Offices and Branch Offices) | . . . . . | Administrative Officer | (i) to (iv) | Asstt. Comptroller and Auditor General |
|---|-----------|------------------------|-------------|--|

|                     |  |   |     |                     |
|---------------------|--|---|-----|---------------------|
| All posts . . . . . | (i) Civil & P&T Audit Offices<br>Controller of Accounts; Sr. Dy. Accountant General; | Controller of Accounts; Sr. Dy. Accountant General; | All | Accountant General. |
|---------------------|--|---|-----|---------------------|

| 1 | 2  | 3  | 4              | 5  |
|---|--|--|----------------|--|
|   |  |  |                |  |
|   | Deputy Accountant General;<br>Deputy Controller of Accounts;<br>Examiner, Local Audit Deptt.;<br>Director of Audit and Accounts,<br>Posts and Telegraphs;<br>Deputy Director of Audit and Ac-<br>counts, Posts and Telegraphs. | Deputy Accountant General;<br>Deputy Controller of Accounts;<br>Examiner, Local Audit Deptt.;<br>Director of Audit and Accounts,<br>Posts and Telegraphs;<br>Deputy Director of Audit and Ac-<br>counts, Posts and Telegraphs. | (i) to<br>(iv) | Controller of Accounts;<br>Sr. Dy. Accountant General;<br>Dy. Accountant General;<br>Deputy Controller of Accounts;<br>Examiner Local Audit Department ;<br>Director of Audit and Accounts<br>P.T.;<br>Dy. Director of Audit and Accounts<br>Posts and Telegraphs. |
|   |  | Asstt. Accountant General;<br>Assistant Examiner;<br>Asstt. Director of Audit and Ac-<br>counts, P. & T.;<br>Accounts Officer/<br>Audit Officer.   |                |  |
|   |  |  |                |  |
|   | (ii) <i>Defence Audit Offices</i>  |  |                |  |
|   | Sr. Dy. Director of Audit Defence Services;<br>Deputy Director of Audit, Defence Services;<br>Asstt. Director of Audit/<br>Audit Officer,<br>Defence Services (Head of Office).  | Sr. Dy. Director of Audit, Defence Services;<br>Deputy Director of Audit, Defence Services;<br>Asstt. Director of Audit/<br>Audit Officer,<br>Defence Services (Head of Office).   | All            | Director of Audit, Defence Services.   |
|   |  | Asstt. Director of Audit/<br>Audit Officer (other than Head of<br>Office),<br>Defence Services.  | (i) to<br>(iv) | Senior Dy. Director of Audit, De-<br>fence Services;<br>Deputy Director of Audit, Defence Services.  |
|   |  |  |                |  |
|   | (iii) <i>Commercial Audit Offices</i>  |  |                |  |
|   | Chief Auditor, Commercial Ac-<br>counts  | Chief Auditor, Commercial Ac-<br>counts  | All            | Addl. Deputy Controller and Audi-<br>tor General (Commercial);<br>Director of Commercial Audit.  |
|   | Deputy Chief Auditor, Commer-<br>cial Accounts,  | Deputy Chief Auditor, Commer-<br>cial Accounts,  |                |  |

|  |   |                       |  |
|--|---|-----------------------|--|
|  | Asstt. Director/Audit Officer Com-<br>mercial Audit.  | (i) to<br>(iv)        | Chief Auditor, Commercial Accounts;<br>Dy. Chief Auditor, Commercial<br>Accounts;                                      |
| (iv) <i>Audit Offices abroad</i>   |   |                       |  |
| Sr. Dy. Director of Audit, Indian<br>Accounts in U.K., London;<br>Deputy Director of Audit, Indian<br>Accounts in U.K., London;<br>Deputy Director of Audit, Indian<br>Accounts in U.S.A., Wash-<br>ton. | Sr. Deputy Director of Audit, In-<br>dian Accounts in U.K., London;<br>Deputy Director of Audit, Indian<br>Accounts in U.K., London;<br>Deputy Director of Audit, Indian<br>Accounts in U.S.A., Wash-<br>ton. | All                   | Director of Audit, Indian Accounts<br>in U.K., London;<br>Director of Audit, Indian Accounts<br>in U.S.A., Washington. |
| (v) <i>Railway Audit Offices</i>   |   |                       |  |
| Deputy Chief Auditor, Railways   | Deputy Chief Auditor, Railways<br>Asstt. Chief Auditor/<br>Audit Officer, Rlys.   | All<br>(i) to<br>(iv) | Chief Auditor, Railways.<br>Dy. Chief Auditor, Rlys.   |
| (vi) <i>Indian Audit and Accounts Ser-<br/>vice Staff College</i> .  | Director<br>Administrative Officer }<br>Accounts Officer }  | All<br>(i) to<br>(iv) | Deputy Comptroller and Auditor<br>General,<br>Director   |

[No. F. 1 (53)-EG.I/69.]

K. N. SINGH, Director

## (Department of Economic Affairs)

New Delhi, the 10th September 1969

S.O. 3778.—Statement of the Affairs of the Reserve Bank of India, as on the 5th September, 1969

## BANKING DEPARTMENT

| LIABILITIES  | Rs.           | ASSETS   | Rs.           |
|--|---------------|--|---------------|
| Capital Paid Up . . .  | 5,00,00,000   | Notes . . . . .  | 33,72,63,000  |
| Reserve Fund . . . .   | 150,00,00,000 | Rupee Coin . . . . .   | 4,89,000      |
| National Agricultural Credit (Long Term Operations) Fund . . . | 155,00,00,000 | Small Coin . . . . .   | 4,89,000      |
| National Agricultural Credit (Stabilisation) Fund . . . .      | 35,00,00,000  | Bills Purchased and Discounted :—<br>(a) Internal . . . . .  |               |
| National Industrial Credit (Long Term Operations) Fund . . .   | 75,00,00,000  | (b) External . . . . .                                       |               |
| Deposits—<br>(a) Government—<br>(i) Central Government         | 54,97,62,000  | (c) Government Treasury Bills . . . . .                      | 236,51,40,000 |
|  |               | Balances Held Abroad* . . . . .                              | 190,89,93,000 |
|  |               | Investments** . . . . .                                      | 125,89,72,000 |
|  |               | Loans and Advances to :—<br>(i) Central Government . . . . . | 31,08,43,000  |
|  |               | (ii) State Governments@ . . . . .                            |               |
|  |               | (iii) Scheduled Commercial Banks† . . . . .                  | 18,74,85,000  |
|  |               | (iv) State Co-operative Banks† . . . . .                     | 235,52,03,000 |
|  |               | (v) Others . . . . .   | 2,54,83,000   |

Loans, Advances and Investments from National Agricultural Credit (Long Term Operations) Fund—

|  |               |  |               |
|--|---------------|--|---------------|
| (ii) State Governments                       | 19,22,09,000  | (a) Loans and Advances to :—   |               |
|  |               | (i) State Governments  | 31,46,88,000  |
|  |               | (ii) State Co-operative Banks  | 15,87,76,000  |
|  |               | (iii) Central Land Mortgage Banks  | —             |
| (b) Banks—                                   |               | (b) Investment in Central Land Mortgage Bank Debentures                                      | 8,96,93,000   |
| (i) Scheduled Commercial Banks               | 165,42,75,000 | Loans and Advances from National Agricultural Credit (Stabilisation) Fund—                   |               |
| (ii) Scheduled State Co-operative Banks      | 6,93,78,000   | Loans and Advances to State Co-operative Banks   | 5,68,41,000   |
| (iii) Non-Scheduled State Co-operative Banks | 57,16,000     |  |               |
| (iv) Other Banks .                           | 31,59,000     | Loans, Advances and Investments from National Industrial Credit (Long Term Operations) Fund— |               |
| (c) Others                                   | 244,40,07,000 | (a) Loans and Advances to the Development Bank   | 6,26,71,000   |
| bills payable                                | 33,49,99,000  | (b) Investment in bonds/debentures issued by the Development Bank                            | —             |
| Other Liabilities                            | 31,51,06,000  | Other Assets   | 33,55,82,000  |
| Rupees                                       | 976,86,11,000 | Rupees   | 976,86,11,000 |

\*Includes Cash, Fixed Deposits and Short-term Securities.

\*\*Excluding Investments from the National Agricultural Credit (Long Term Operations) Fund and the National Industrial Credit (Long Term Operations) Fund.

@ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary over-drafts to State Governments.

†Includes Rs. 12,25,00,000 advanced to scheduled commercial banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

††Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

Dated the 10th day of September 1969.

An Account pursuant to the Reserve Bank of India Act, 1934, for the week ended the 5th day of September, 1969.  
 ISSUE DEPARTMENT

| LIABILITIES                          | Rs.                   | Rs.            | ASSETS  | Rs.           | Rs.                   |
|--------------------------------------|-----------------------|----------------|---|---------------|-----------------------|
| Notes held in the Banking Department |                       |                | Gold Coin and Bullion :—                              |               |                       |
| Notes in Circulation                 | 33,72,63,000          |                | (a) Held in India                                     | 182,53,11,000 |                       |
| Total Notes issued                   | <u>3503,88,62,000</u> | 3537,61,25,000 | (b) Held outside India                                | ..            |                       |
|                                      |                       |                | Foreign Securities                                    | 200,88,70,000 |                       |
|                                      |                       |                | TOTAL   |               | 383,41,81,000         |
|                                      |                       |                | Rupee Coin  |               | 71,43,22,000          |
|                                      |                       |                | Government of India Rupee Securities                  |               | 3082,76,22,000        |
|                                      |                       |                | Internal Bills of Exchange and other commercial paper |               | ..                    |
| <b>TOTAL LIABILITIES</b>             | <u>3537,61,25,000</u> |                | <b>TOTAL ASSETS</b>                                   |               | <u>3537,61,25,000</u> |

Dated the 10th day of September, 1969.

(sd.) L. K. JHA,  
 Governor.

[No. F. 3(3)-BC/69.]

K. YESURATNAM, Under Secy.

(Department of Banking)

New Delhi, the 6th September 1969

Report of the Central Board of Directors of the Reserve Bank of India  
For the Year July 1, 1968—June 30, 1969

S.O. 3779.—In accordance with section 53(2) of the Reserve Bank of India Act, 1934, the Central Board of Directors has submitted to the Government of India the following report on the working and accounts of the Bank for the year ended 30th June, 1969.

I. OVERALL TRENDS IN THE ECONOMY

The encouraging developments in the economy during the year July 1968-June 1969 were the maintenance, despite unsatisfactory weather conditions in some parts of the country, of a high level of foodgrains output a marked recovery in industrial production and a distinctive improvement in the external payments position. National income at constant prices is estimated to have risen during 1968-69 (fiscal) by 3 per cent. While food production was at about the same level as in the previous year, agricultural production as a whole registered a small decline. Industrial production picked up sizeably. The price level remained on the whole stable (apart from seasonal movements) upto end-January 1969. Since then, however, there has been a disconcertingly sharp upward trend. Shortages of agricultural raw materials have been a major factor responsible for this trend. Monetary expansion, too, has been large relatively to the rise in national output. This expansion has been the result of substantially larger net bank credit to Government as well as larger accretions to foreign exchange reserves than in the previous year. In the result, the price stability that had characterised the previous year and the early part of this year has lately been disturbed.

2. While the recessionary trends of the past two years and more have shown some noticeable abatement the recovery is far from complete and in some lines of industry such as steel structures, pipes and tubes, castings, railway wagons, mining and construction machinery, and heavy electricals, output levels are still far below capacity and domestic demand is still deficient. Neither public nor private corporate investment has recovered sufficiently to correct this situation. The easy resources position of the banking system does not by itself provide a sufficient investment pull to the economy. The disbursements by the term lending institutions have lagged behind despite larger sanctions. While the stock market was buoyant for the major part of the year, new capital issues have been on a smaller scale than last year.

3. While recognising that the overall supply situation did not leave sufficient room for manoeuvre in the economy, the Union Budget for 1969-70 stressed the need for promoting industrial recovery and resuming the process of economic growth which had been interrupted in previous years. A budgetary deficit of roughly the same magnitude as in the previous year was adjudged suitable from the point of view of reconciling the concern for price stability and the maintenance of a climate for growth. Fresh taxation, which was moderate in magnitude, was directed mainly to securing for the public exchequer a share in the additional incomes being generated in the rural sector. Monetary policy also remained geared to the broad objectives of stimulating recovery and strengthening the forces of economic growth. In pursuance of the policy of social control of banking, the flow of credit was directed in larger measure to the hitherto neglected fields such as agriculture and small-scale industries, and the stress on exports enlarged.

4. The monsoon in 1968-69 was not as good as in the previous year. However, total production of foodgrains was, according to estimates, about the previous year's level of 96 million tones. While the production of some cereals was affected by unseasonable rainfall and drought conditions over some parts of the country, that of rice was maintained. The output of wheat showed a sizeable increase reflecting the encouraging result of the new agricultural strategy. On the other hand, the output of important raw materials such as raw jute, raw cotton and oilseeds, showed large declines as a result of adverse climatic conditions. In Industrial production, the recovery which began in the first quarter of 1968 continued further and for the first nine months of the year (July 1968-June 1969), the Index of Industrial Production (Base: 1960=100) showed an increase of about 7 per cent. All the major groups of industries shared in the recovery, the improvement being more marked in the case of basic and capital goods industries. Industries which registered high growth rates include fertilizers, non-ferrous metals, electricity generation, consumer durables such as motor cycles and bicycles, cotton spinning, sugar, paper

and paper products, and iron and steel. The increased availability of raw materials, particularly in the early part of the year, the revival of consumer demand, large export orders and liberal credit facilities as well as the fiscal and industrial policy measures adopted during the year to stimulate the demand for investment goods contributed to the accelerated pace of industrial recovery.

5. The rate of increase in money supply at 10.2 per cent during the year was about the same as in the previous year. But total monetary resources, comprising currency and aggregate bank deposits increased at a much higher rate (13.4 per cent) than last year (11.1 per cent). The principal factor making for expansion in money supply during the year was larger bank credit to Government. Government finances, particularly those of the States, showed a considerable deterioration as reflected in a large aggregate deficit. The increase in foreign exchange reserves was also as mentioned already, a significant expansionary factor.

6. A notable feature of monetary trends during the year was a sharp increase in commercial banks' deposits. The rate of growth in time deposits at 21.1 per cent was much higher than the rates in earlier years (13.1 per cent in 1967-68, 12.5 per cent in 1966-67 and 14.9 per cent in 1965-66). Demand deposits grew at a more moderate rate of 10.6 per cent (as against 12.6 per cent, 12.7 per cent and 15.9 per cent in 1967-68, 1966-67 and 1965-66 respectively). In absolute terms the increase in time deposits during the year was Rs. 441 crores (as against Rs. 242 crores in the previous year). The vigorous branch expansion programmes of the commercial banks undertaken in accordance with the targets indicated by the Reserve Bank and the various promotional measures, adopted by the banks to attract new classes of depositors and to encourage the banking habit were the main factors which brought about this encouraging result.

7. The Index Number of Wholesale Prices (Base: 1952-53=100) showed an increase of 11.1 per cent during the year 1968-69 (July-June) in contrast to a fall of 0.7 per cent in the previous year. The bulk of this rise occurred after January 1969. Of this increase, 'food articles' accounted for 26.8 per cent, 'industrial raw materials' 50.3 per cent, 'manufactures' 16.7 per cent and the other two groups 8.2 per cent. Thus the sharp rise in the Wholesale Price Index was largely brought about by relatively large increases in the prices of 'industrial raw materials' and 'food articles'. Among food articles, edible oils rose by 55.3 per cent, pulses by 12.5 per cent and cereals by 1.7 per cent. The increase in the prices of cereals was mainly the result of a rise of 10.8 per cent in wheat prices although rice showed a fall of 3.9 per cent. In the previous year, of the decline of 6.7 per cent in the general price level, 'food articles' had contributed 61.4 per cent, 'industrial raw materials' 39.9 per cent and 'manufactures' 7.1 per cent; these were partly offset by the rise in the prices of the other two groups. The increase in the prices of foodgrains during 1968-69 reflected in part the larger scale of food procurement operations and the withdrawal of the subsidy on imported wheat. In the case of manufactures, 44 per cent of the increase in prices was accounted for by textiles and oilcakes. The increase in these cases was due to the rise in raw material prices (fibres and oilseeds). A part of the rise in the prices of 'manufactures' reflected also the unavoidable increases allowed in the prices of coal, steel and cement in view of increases in costs which had taken place earlier.

8. The external payments position during 1968-69 showed striking improvement largely as a result of a 13 per cent rise in export earnings. A noteworthy feature of the export pattern is that a good part of the improvement in exports was to convertible currency countries. While some traditional exports such as cashew kernels rose significantly, non-traditional items, notably engineering goods and iron and steel showed substantial increases, the increase in exports of engineering goods was particularly impressive. Imports showed a decline of 7 per cent. Foreign exchange reserves rose during the year (July-June) by \$118 million as compared with an increase of \$105 million in the previous year. The increase in reserves in 1968-69 would work out to \$261 million as compared with \$41 million in the previous year if transactions with I.M.F. the debt relief transactions with the I.B.R.D. and the loss on sterling devaluation in 1967-68 are left out of account. In view of the growing import needs of the economy and the burden of debt servicing, this improvement cannot be viewed as a basic change in the overall foreign exchange situation.

9. Economic policies during the year were largely directed towards maintaining the tempo of the transformation in agriculture, giving a further stimulus to the recovery in industrial production, encouragement of exports, and the building up of buffer stocks, particularly of foodgrains, to cushion the impact of output fluctuations in the future. In agriculture, measures were taken to extend further the

coverage of the new strategy relating to foodgrains production. Extension of minor irrigation expansion in areas to be covered under the High Yielding Varieties Programme and under the Multiple Cropping Programme as well as increased consumption of fertilizers were the main features of this programme. Measures were also taken to maintain adequate incentives to the farmers by continuation of procurement prices in respect of food grains at the same level, with minor changes in some States, as in the previous year and more effective arrangements for purchase of the quantities offered for sale. In the case of industrial products, the relaxation in appropriate cases of price and physical controls advance placement of orders particularly by the Railways and the Bokaro Project, extension by the I.D.B.I. of the rediscounting scheme to public sector enterprises to enable them to purchase indigenous machinery on deferred payment basis and improved and liberalised credit facilities for exports by both the Reserve Bank and the I.D.B.I. were the main measures designed to stimulate industrial recovery.

10. The accent of credit policy during the year was on enlarging the flow of credit to priority sectors, namely, agriculture, small-scale industries and exports. The scope of concessional refinance from the Bank for advances to these sectors was widened. Also, some modifications were made in certain operational norms such as those relating to term loans, unsecured loans and the advances-deposit ratio. However, by May 1969, there was evidence of the emergence of a situation of high liquidity in the banking system. Against this background, in order to stimulate investment especially in the rural areas, the Reserve Bank directed the banks to utilise their liquid resources in the slack season of 1969 to invest larger amounts in the longer-dated trustee securities, particularly those issued by bodies like Electricity Boards, Industrial Finance Corporations and Land Mortgage Banks etc., the expansion of whose resources would help to revive the demand for several capital goods industries and give added impetus to agricultural output and industrial development. The banks were also asked to step up their activities in less developed and under-banked States and increase their assistance to State bodies, especially in States where the credit-deposit ratio was low. At the same time, in view of the deterioration in the price situation, the banks were asked to watch carefully any tendency for bank finance to be used for speculative purposes and to apply restraints on lending to sectors, which showed an unhealthy upward trend in prices. They were also asked to pay greater attention to financing the productive sectors and widening the range of their activities to cover not only agricultural and small-scale industries but also retail trade in rural areas, the self-employed, the hire-purchase of trucks, taxis and scooters and other similar activities. Selective credit controls were also deployed to contain the pressure of sectoral price increases.

11. A number of policy measures initiated or extended during the year related to achieving the objectives of the scheme of social control over banks. A far-reaching measure affecting the banking system was the decision announced by the Government on July 19, 1969 to nationalize 14 major Indian commercial banks. In this year's Report on Trend and Progress of Banking, a special chapter has been devoted to a review of the major changes in banking structure and policy over the last two decades. The developments noticed in this paragraph and later in this Report in greater detail, cover the year ended June 30, 1969. The deliberations of the National Credit Council, as well as the work of the Study Groups constituted by the Council resulted in the formulation of guidelines for branch expansion, deposit mobilisation and the fixing of priorities for the flow of bank credit. The Council had indicated a target of Rs. 35-40 crores of additional lending by banks to the agricultural sector and of Rs. 60-70 crores to small-scale industries (for July 1968-June 1969). As against these, the actual increase in limits sanctioned by the 20 major banks approximated Rs. 203 crores and Rs. 127 crores, respectively, and the increase in outstandings was Rs. 118 crores to agriculture and Rs. 64 crores to small-scale industries for the first 10 months upto April 1969. In pursuance of the accelerated programme of branch expansion, the banks opened during 1968, 678 new offices of which 489 were in semi-urban and rural centres, 384 of these again being in hitherto unbanked areas. The banks also assured the Reserve Bank that the target indicated for commercial banks to open as a matter of urgency offices in all towns with a population of more than 10,000 by the end of 1970, will be fulfilled well before the terminal date.

12. A new draft of the Fourth Five Year Plan was presented to Parliament in April 1969. The plan is to cover the period of five years from 1969-70 to 1973-74. The target for overall growth in national income set for the plan period is an average annual rate of 5.5 per cent (consisting of a growth rate of 5 per cent in agriculture and 9 per cent in mining, manufacturing and construction). A notable

feature of the new plan is that the postulated growth rate is to be achieved in a larger measure through reliance on domestic resources. With a view to achieving the goals consistently with price stability the plan envisages a stepping up of the average rate of savings in the economy from the current level of 9.0 per cent to around 12.6 per cent by 1973-74. A considerable part of this increase in the rate of savings is to be achieved through resource mobilisation and savings efforts in the Governmental sector, the target for public sector savings being 3.8 per cent of national income by the end of the plan period as compared with the present level of 0.8 per cent. An equally vital target is an annual growth rate of 7 per cent in exports together with elimination of food imports by 1971-72 and the holding down of non-food imports to a rate of increase of around 5 per cent per annum.

#### *Output, Prices and Policy Measures*

13. During 1968-69, agricultural development programmes initiated under the New Agricultural Strategy were stepped up. Because of the relatively unfavourable monsoon over some parts of the country, no increase in production over the previous year's bumper crop materialised. The output of foodgrains was maintained, according to estimates, at the 1967-68 level of 95.6 million tonnes, but other crops, except sugarcane, registered a fall. The output of rice is estimated at around last year's level and wheat production is expected to show an increase of about 6 lakh tonnes. Production of coarse grains and pulses has been lower. Among non-food crops, the output of cotton is estimated by trade at 59 lakh bales as against 61.7 lakh bales in 1967-68. Jute and mesta production estimated tentatively at 43.00 lakhs bales would be lower by as much as 43 per cent than it was last year. Output of groundnuts at 44.76 lakhs tonnes showed a decline of about 22 per cent. Sugarcane, on the other hand, is estimated to show an improvement of 30 per cent over the last year's level of 10 million tonnes. On the whole, with the output of cotton, jute and groundnuts showing declines, the overall agricultural production in 1968-69 will be marginally lower than in 1967-68.

Table I.—Trends in Agricultural Production

|                                 | Unit           | 1967-68 | 1968-69<br>(Estimated) |
|---------------------------------|----------------|---------|------------------------|
| (1) Foodgrains                  | Million tonnes | 95.59   | 95.59                  |
| (i) Rice                        | Do.            | 37.86   | 37.86                  |
| (ii) Wheat                      | Do.            | 16.57   | 17.20                  |
| (2) Cotton                      | Million bales* | 5.56    | (5.90†)                |
|                                 | Do.            | (6.17†) |                        |
| (3) Jute and Mesta              | Do.            | 7.50    | 4.30                   |
| (4) Groundnuts                  | Million tonnes | 5.73    | 4.48‡                  |
| (5) Sugarcane (in terms of gur) | Do.            | 9.96    | 13.00‡                 |

\*Bale of 180 Kgs. †Trade estimates. ‡Final estimate.

14. The recovery in production in the large-scale industrial sector noticed since the first quarter of 1968 continued. For the calendar year 1968 the overall growth rate was 6.3 per cent. Industrial output during the first 9 months of the year under review recorded an increase of about 7 per cent in contrast to near-stagnant levels of production in the preceding two years. While this pick-up is satisfactory, the growth rate is still below the rates achieved in years prior to the recession. All the major industrial groups participated in the recovery. The improvement was more marked in the case of basic industries and capital goods industries which registered increases of 10.0 per cent and 7.6 per cent, respectively, in contrast to a moderate rise of 2.7 per cent in basic industries and an absolute decline of 5.5 per cent in capital goods industries in the corresponding period of last year.

Table 2.—Rate of Growth of Industrial Production

(Base : 1960 = 100)

|                                | Weights<br>(July-March) | Percentage change over the<br>previous period (1) |                         |
|--------------------------------|-------------------------|---|-------------------------|
|                                |                         | 1967-68<br>(July-March)                           | 1968-69<br>(July-March) |
| Basic industries*              | 25.11                   | +2.7  | +10.0                   |
| Capital Goods Industries†      | 11.76                   | +5.5  | +7.6                    |
| Intermediate Goods Industries‡ | 25.88                   | +2.6  | +5.2                    |
| Consumer Goods Industries§     | 37.25                   | +1.6  | +5.6                    |
| General Index                  | 100.00                  | +1.0  | +6.7                    |

(1) Relates to the average of the index during the 9 month period as compared to the average for the corresponding period of the previous year.

\* This category comprises mining and quarrying, iron and steel, cement, aluminium, fertilisers, heavy inorganic chemicals etc.

†In this group are rail-road equipment, motor vehicles, machinery components and accessories, industrial machinery, prime movers, boilers and steam generating plants, machinery for generation of electric energy, etc.

‡Cotton spinning, jute manufactures, tyres and tubes, petroleum refinery products, fittings, fixtures and fasteners, manufacture of wood and cork, synthetic fibres, dye-stuffs and dyes etc. come under this category.

§Food manufacturing industries (sugar, tea, vanaspati etc.) weaving of cotton textiles and pharmaceutical chemicals, cigarettes, paper and paper products, motor-cycles and bicycles communication equipment, electrical appliances, etc. are covered under this group.

Intermediate goods industries and consumer goods industries also registered increases of 5.2 per cent and 5.6 per cent, respectively, as against moderate increases of 2.6 per cent and 1.6 per cent in the corresponding period of 1967-68. Overall, industries accounting for about three-fourths of the weightage in the General Index have registered increases in output. Important among these industries are cotton spinning, motor vehicles, iron and steel, mining and quarrying, sugar, and paper and paper products. There are a few industries which were by and large unaffected by the recession and which continued to register high growth rates. Among these, mention may be made of non-ferrous metals, fertilizers, electricity generation and consumer durables like radio receivers, motor cycles and bicycles.

15. Among the industries which continued to lag behind, the important ones were manufacture of mining, earthmoving and construction machinery and rail-road equipment, heavy electrical engineering including electrical motors and furnaces and electrical cables and wires.

Table 3—Industries showing declines in production@

| Industry  | Weight<br>July-March | Percentage increase (+) decrease (-) in the 9 months of the accounting year |         |
|---|----------------------|---|---------|
|   |                      | 1967-68   | 1968-69 |
| Manufacture of mining, earth moving and construction machinery  | 0.12                 | +68.8   | -9.6    |
| Machinery, apparatus and supplies for the generation, storage, transmission and transformation of electrical energy | 0.38                 | +6.7  | -10.3   |
| Electrical motors and furnaces  | 0.27                 | +4.8  | -9.8    |
| Electrical cables and insulated wires   | 0.53                 | +5.7  | -5.1    |
| Railroad equipment  | 3.50                 | +17.9   | -0.8    |

@Based on Index of Industrial Production (Base : 1960 = 100)

16. The overall improvement in industrial production was brought about by larger availability of raw materials for agriculture-based industries, increased demand for consumer goods including some consumer durables following large increases in agricultural income, sharp rise in export demand for certain engineering items, and liberal credit facilities from banking and financial institutions. The upward revision of the prices of industrial products such as coal, steel and cement was followed by a step-up in their production. The import liberalisation in favour of the priority industries, including export industries, in respect of requirements of raw materials, components and spares helped these industries to maintain high levels of production.

17. The increase in the level of output was reflected in better utilisation of capacity, particularly in intermediate and consumer goods industries. The stock-output ratio in these industries showed a significant fall. On the other hand, despite some recovery in basic and capital goods industries, the capacity in a number of industries in these groups continues to be underutilised.

**Table 4.—Utilisation of Capacity in Selected Industries**

(Percentages)

| Industry                                      | 1967 | 1968 |
|---|------|------|
| Finished steel . . . . .                      | 66   | 66   |
| Aluminium (Sheets & circles) . . . . .        | 23   | 57   |
| Copper and brass sheets and circles . . . . . | 21   | 30   |
| Nitrogenous fertilizers ,                     |      |      |
| (Ammonium Sulphate 'N' Content) . . . . .     | 52   | 57   |
| Heavy structurals . . . . .                   | 23   | 15*  |
| Steel pipes and tubes . . . . .               | 54   | 61   |
| Steel castings . . . . .                      | 51   | 37   |
| Railway wagons . . . . .                      | 44   | ..   |

\*Provisional.

18. Labour unrest continued to present a serious problem in 1968. The number of man-days lost through strikes and lock-outs during the year was 13.83 million. In 1967 it had gone up to 17.14 million. The sharp deterioration in recent years may be seen from the fact that the annual average of man-days lost between 1961 and 1965 was 5.8 million. A large part of the man-days lost during 1968 was accounted for by strikes of bank employees, port and dock-workers, newspaper employees, insurance staff, Central Government employees and mine workers. Production in some basic industries such as steel and some sections of the engineering industry was also affected by labour unrest, especially in the eastern part of the country.

19. Data on production trends in the small scale industries sector are inadequate for purposes of analysis and comparison. Such data as are available, however, indicate a relatively steady growth rate. Thus according to estimates prepared by the Development Commissioner for Small-Scale Industries, output in the sector recorded a rise of about 8 per cent during 1968—the same as in 1967. Within the small-scale industries group, industries which are estimated to have shown notable increases are electrical engineering, iron and steel and non-ferrous metals.

20. The movements in the general price level reflected in the main, the adverse impact of the decline in output of some coarse grains, pulses and major commercial crops. Over the year the index showed an increase of 11.1 per cent in contrast to a decline of 6.7 per cent in the preceding year. Price movements during the year fall into three phases: a rising phase between end-June 1968 and end-September 1968, a falling phase between end-September 1968 and February 1, 1969, and a rising phase from February 1, 1969 to end-June 1969.

Table 5.—Seasonal Variations in Wholesale Prices

(Base : 1952-53 = 100)

| Commodities                     | End-June<br>and End-<br>September<br>1968 | End-September<br>1968—<br>February 1,<br>1969 | February 1,<br>1969<br>and End-June<br>1968 | End-June<br>1968—<br>End-June<br>1969 |                    |
|---------------------------------|---|---|---|---------------------------------------|--------------------|
| <b>All Commodities</b>          | · · · ·                                   | +9.0<br>(+1.3)                                | -7.7<br>(-5.2)                              | +10.4<br>(-2.9)                       | +11.1<br>(-6.7)    |
| <b>Food Articles</b>            | · · · ·                                   | +8.1<br>(+4.5)                                | -14.8<br>(-8.7)                             | +14.1<br>(-2.7)                       | +5.2<br>(-7.2)     |
| Rice                            | · · · · ·                                 | -0.6<br>(+6.9)                                | -13.8<br>(-9.1)                             | +12.1<br>(+7.8)                       | -3.9<br>(+4.7)     |
| Wheat                           | · · · · ·                                 | +9.1<br>(+1.4)                                | +1.2<br>(-3.3)                              | +0.4<br>(-17.4)                       | +10.8<br>(-19.1)   |
| Pulses                          | · · · · ·                                 | +18.1<br>(+7.4)                               | -21.5<br>(-8.3)                             | +21.4<br>(-33.0)                      | +12.5<br>(-34.1)   |
| Edible Oils                     | · · · · ·                                 | +37.9<br>(-7.5)                               | -12.2<br>(-6.7)                             | +28.3<br>(-22.5)                      | +55.3<br>(-33.1)   |
| <b>Industrial Raw Materials</b> | · ·                                       | +20.8<br>(-7.7)                               | -1.5<br>(-)                                 | +15.8<br>(-2)                         | +37.7<br>(-16.3)   |
| Cotton Raw                      | · · · · ·                                 | +5.0<br>(-5.1)                                | -1.7<br>(+19.0)                             | +10.2<br>(-0.3)                       | +13.7<br>(+12.5)   |
| Jute Raw                        |   | +24.4<br>(-4.2)                               | (+15.8)<br>(+4)                             | (+0.6)<br>(+6)                        | (+45.0)<br>(+12.8) |
| Oilseeds                        | · · · · ·                                 | +36.6<br>(-11.9)                              | -12.0<br>(-9.3)                             | +33.3<br>(-21.1)                      | +60.3<br>(-36.9)   |
| <b>Manufactures</b>             | · · · · ·                                 | +3.6<br>(-1.1)                                | -1.8<br>(-0.4)                              | +2.4<br>(-0.7)                        | +8.0<br>(-2.2)     |

NOTE :—Figures in brackets indicate the percentage variations during the corresponding period last year.

In the first phase, the unfavourable prospects for commercial crops particularly raw jute and oilseeds as a sequel to scanty rainfall prior to June 1968 and heavy rainfall subsequently causing floods in many parts of the country and damaging the standing crops led to a sharp upward spurt. The index rose 9.0 per cent from 203.8 at the end of June 1968 to 222.1 at the end of September 1968. In the second phase, the usual post-harvest decline in prices took place and the index declined steeply by 7.7 percent to 205.1 on February 1, 1969. In the corresponding period in the previous year the decline was of the order of 5.2 per cent. However, from February 1, 1969 prices again took a sharp upward turn and the index rose almost continuously to touch 228.4 by end-June 1969. The increase in the price level in this third phase was of the order of 10.4 per cent which was mainly brought about by a sharp rise in industrial raw materials (15.8 per cent) and food articles (14.1 per cent).

21. Over the year, the general index showed a rise of 11.1 per cent which was mainly brought about by industrial raw materials, food articles and manufactures. Of the increase, 50.3 per cent was accounted for by industrial raw materials, 26.8 per cent by food articles and 16.7 per cent by manufactures. Food articles over the year, registered an increase of 5.2 per cent in contrast to a decline of 7.2 per cent last year.

22. Among the food articles, rice prices over the year showed a decline of 3.9 per cent reflecting a comfortable supply position in view of the maintenance of the high level of production reached last year. However, the lean season rise this year, (between February 1, and end-June 1969) was higher at 12.1 per cent as compared with 7.8 per cent in the preceding year mainly due to larger procurement of rice and upward revision of issue prices. In respect of wheat, prices over the

year showed an increase of 10.8 per cent as against a fall of 19.1 per cent last year, despite a bumper harvest for the second year in succession. The Agricultural Prices Commission had recommended somewhat lower prices for wheat procurement for the 1968-69 season as compared to the prices fixed in 1967-68, but the actual procurement prices for the year were fixed at the same level as in the previous year. Procurement operations were also stepped up during the year. The higher level of procurement activity as well as arrangements for better storage facilities prevented the post-harvest fall in wheat prices such as had occurred last year. Withdrawal of the subsidy on imported wheat was another factor contributing to the increase in wheat prices.

23. The rise in the prices of coarse grains, particularly jowar (5.7 per cent) and bajra (26.6 per cent) in contrast to a fall in the last year, was due mainly to a decline in their output. Prices of pulses also increased appreciably, particularly in the slack season this year owing again to a decline in output. The sharpest rise in the food articles was on account of edible oils. On the other hand, there was a substantial decline in the prices of gur and a moderate decline in the prices of sugar consequent on a comfortable supply position.

24. The rise of 37.7 per cent in industrial raw material prices over the year was mainly brought about by raw jute (45.0 per cent) and oilseeds (63.3 per cent). The prices of raw cotton moved within a narrow range till mid-March 1969 but thereafter they started moving up at a fast rate, the net increase over the year being 13.7 per cent. The sharp increase in the prices of raw jute, raw cotton and oilseeds reflected the shortfalls in their availability following lower level of output during the year under review. Imports in respect of these items could not make up for the fall in output. The net availability of jute and mesta and oilseeds, in particular, was considerably lower than in the previous year.

Table 6—Availability of Raw materials for Industries

|  | 1965-66 | 1966-67 | 1967-68 | 1968-69<br>(estimated) |
|--|---------|---------|---------|------------------------|
| <b>Raw Cotton (lakh bales) September-A -<br/>gust</b>            |         |         |         |                        |
| Production <sup>a</sup>  | 56.1    | 53.1    | 61.7    | 59.0                   |
| Imports  | 5.3     | 7.8     | 7.7     | 6.0                    |
| Availability <sup>b</sup>  | 85.4    | 82.5    | 89.2    | 88.6                   |
| <b>Raw Jute and Mesta (lakh Bales<br/>July-June)</b>             |         |         |         |                        |
| Production   | 57.6    | 65.8    | 75.6    | 43.0                   |
| Imports  | 12.1    | 16.5    | 0.2     | 16.0                   |
| Availability   | 89.8    | 94.0    | 93.8    | 68.2                   |
| <b>Major Oilseeds<sup>c</sup> (million tones) July-<br/>June</b> |         |         |         |                        |
| Production   | 6.3     | 6.4     | 8.2     | 6.5                    |
| Imports of Soyabean Oil  | ..      | 0.07    | 0.08    | 0.07                   |

<sup>a</sup> Availability is defined as production + import + opening stocks.

<sup>b</sup> Trade estimates.

<sup>c</sup> Exports of raw cotton (Per cent) during 1968-69 season (upto July 1969) amounted to 1.51 lakh bales as against 1.89 lakh bales during the corresponding period last year.

\* Groundnuts, rapeseed and mustard, linseed, sesamum and castorseed.

\* July-April.

25. The 8.0 per cent rise in the prices of manufactures comprised a rise of 15.2 per cent in intermediate products and of 6.6 per cent in finished products. The increase in the prices of intermediate products resulted mainly from the large increases in cotton yarn and linseed oil prices. The rise in the prices of finished goods reflected broadly the increases in prices of raw materials, and enhancement of excise duties in respect of some items of chemicals, petroleum products and synthetic yarn.

26. The All-India Consumer Price Index for Working Class (Base: 1949 = 100) after an initial rise from 214 in June 1968 to 219 in October 1968 tended to decline

and touched a low of 205 in February 1969. Again the index started moving up from March reaching 216 in June 1969. Over the year (July-June) the index showed a rise of 1.4 per cent as against a marginal rise of 0.5 per cent in the previous year.

27. The efforts to improve and strengthen the technological base for increasing productivity in agriculture were vigorously pursued in 1968-69. Total institutional investment on minor irrigation works was stepped up to about Rs. 100 crores as against about Rs. 70 crores in 1967-68. The target of area to be brought under the H.Y.V. Programme was fixed at 8.50 million hectares as compared with the achievement of 6.04 million hectares in the previous year. The target for coverage under the Multiple Cropping Programme was doubled to 6.07 million hectares. The target for consumption of fertilizers was fixed at 1.98 million tonnes as against the achievement of 1.54 million tonnes in 1967-68. Special programmes for commercial crops like cotton, oilseeds, etc., were also continued.

28. The policy of ensuring remunerative prices to the farmers was continued. In respect of foodgrains, procurement prices were kept at about the same level as in the previous year and more effective arrangements were made to purchase all quantities offered for sale. In pursuance of these objectives, the target of procurement has been fixed at 7.9 million tonnes, comprising 3.5 million tonnes of rice, 0.8 million tonnes of kharif coarse grains and 3.6 million tonnes of wheat. Procurement till the end of June 1969 was of the order of 3 million tonnes of rice, 0.5 million tonnes of kharif coarse grains and 2.3 million tonnes of wheat. The offtake from the Central Reserve was lower at 6.7 million tonnes in 1968-69 (July-May) as against 8.3 million tonnes in the corresponding period last year. The stocks of foodgrains with the Government which stood at 3.98 million tonnes at the end of June 1968, moved up to 5.31 million tonnes at the end of June 1969. This was achieved with less reliance on imports which were lower at 4.0 million tonnes during 1968-69 (July-June) as compared with 8.3 million tonnes in the corresponding period last year. With the improvement in the food situation, statutory rationing was removed in three more towns and cities in addition to five towns and cities where it was discontinued last year. In the context of a second bumper wheat crop, the wheat zones were also enlarged.

29. For agricultural raw materials which were in short supply, despite some imports, the problem throughout the year was one of restraining price rises. In the case of raw jute, measures which were oriented to stem the downtrend in prices during 1967-68 had to be reversed and the emphasis during 1968-69 was on checking the continued uptrend in prices. Besides authorisation for larger imports, steps were taken to peg down consumption through monthly maximum purchase quotas, voluntary cuts in output of mills and economies in the use of bagging by bulk consumers such as the Food Corporation of India, the cement industry and the D.G.S.D. Selective credit controls were also tightened in order to curb speculative price rises. However, with sufficient rainfall in the sowing areas and with the prospect of a better jute crop in 1969-70, prices of raw jute have started falling from mid-March 1969. In the case of oilseeds, besides selective credit controls, increased imports of soyabean oil for the use of the vanaspati industry were arranged. The ban on trading in hedge contracts on groundnut and groundnut oil was continued. The effect of the shortfall in raw cotton was also sought to be mitigated through imports. Restrictions on holding of stocks by mills were continued and further tightened in June 1969. Credit restrictions were also tightened in May 1969. Future contracts in raw cotton continued to be prohibited.

30. The policy of delicensing of industries initiated in 1968 to encourage investment in industries in which capacity established has been inadequate in relation to requirements was continued, subject, however, to the condition that only industries involving no foreign exchange expenditure and having no adverse effect on the growth of small-scale industries would be delicensed. About 47 industries\* were delicensed till last year. During the year three more industries, namely, vanaspati, barium salts and steel ingots and billets by the concast process were delicensed under the Industries (Development and Regulation) Act.

\*Important ones are : iron and steel castings and forgings, structurals, steel ingots and billets (by electric furnace), internal combustion engines (upto 50 h.p.) electric motors (upto 50 h.p.), bicycles and components, power-driven pumps, tea machinery, sewing machines and components, cement, paper and paper products, glass, agricultural tractors and power tills.

31. In order to assist the process of industrial recovery, there was advance placement of orders by the Railways and the Bokaro project. The Industrial Development Bank of India (IDBI) extended the facilities under the rediscounting scheme to public sector enterprises, with the same end in view. In order to enable Indian exporters of capital and engineering goods and services to be more competitive in the world markets, the IDBI also introduced a new scheme for providing them direct term-finance and guarantee facilities in participation with banks at a concessional rate of 4½ per cent. The conferring of priority status on the jute and cotton textile industries during the year enabled these industries to claim larger development rebates and was meant to help in their modernisation and to give a stimulus to the demand for the products of machinery manufacturing industries. Improved and liberalised export credit facilities as well as the fiscal and trade measures designed to promote exports, particularly of the newer manufactures, also had an appreciable impact on industrial revival.

#### *Budgetary Operations*

32. The recovery in the economy which set in 1967-68 resulting in an increase of 18 per cent in national income (at current prices) reacted favourably on government revenues. In 1968-69 (revised estimates), the rate of growth in the combined revenues of the Centre and States was larger at 8 per cent as compared with a growth rate of 5 per cent in 1967-68. The larger growth in revenues in 1968-69 (revised estimates) relatively to 1967-68 was not shared by all items; for instance, there was a fall in customs revenues for the second year in succession mainly as a result of falling imports. The combined capital receipts of Centre and States also increased at a faster pace (10 per cent) during 1968-69 (revised estimates) than during 1967-68 (6 per cent).

33. As compared to 1967-68, the increase in capital receipts of the Centre and the States in 1968-69 (revised estimates) was larger than the increase in capital disbursements (8 per cent). However, the increase in combined revenue receipts of Governments according to the revised estimates, in 1968-69, was not commensurate with the increasing commitments on revenue account, both under developmental and non-developmental heads. As against the increase of 8 per cent in the revenue of the Centre and the States, their expenditure on revenue account increased by about 13 per cent during 1968-69 (revised estimates) over 1967-68. While in the case of the Centre, the increase in developmental expenditure on revenue account was larger (16 per cent) than in non-development expenditure (11 per cent), in the case of States, non-developmental expenditure showed a larger increase (16 per cent) than development expenditure (12 per cent).

34. As compared to 1967-68, the main factors contributing to the increasing expenditure commitments in 1968-69 (revised estimates) were the upward revision of pay/dearness allowances of Government employees, rise in defence outlays, increased interest payments and the step-up in relief expenditure in States affected by drought, floods and cyclone. The increases in expenditures on account of the abovementioned factors were partly offset by saving mainly through economy measures introduced by Central and State Governments.

35. The combined overall budgetary deficits of the Centre and States were Rs. 245 crores in 1967-68 (account); the deficits of the Central Government being Rs. 206 crores and those of the State Governments Rs. 38 crores. The account figures for the fiscal year 1968-69 are not yet available. The revised estimates place the overall budgetary deficits at Rs. 418 crores—Rs. 260 crores for the Central Government and Rs. 153 crores for the State Governments. However, the account figures are likely to be different from the estimates. A broad indication of the likely actual deficit is available in the amount of net Reserve Bank of India credit to Government which was Rs. 242 crores in 1968-69 as against Rs. 166 crores in 1967-68. In view of the continued strain on resources, a number of States resorted to over-drafts from the Reserve Bank. The level of outstanding overdrafts at the end of March 1969 was higher than a year ago. The Bank had to issue, as in previous years, formal notices to certain States requesting them to clear their overdrafts before specified dates.

36. The budgets of the Central and State Governments for 1969-70 reflect the steps initiated towards implementation of the Fourth Plan. The Plan outlay for 1969-70, which is the first year of the Fourth Plan period, by the Centre is Rs. 1,903 crores (including Rs. 615 crores of assistance to States and Rs. 165 crores to be financed by the Railways and other public sector undertakings from their internal resources). The State budgets provide for Plan outlay of Rs. 947 crores (including Rs. 615 crores of the Centre's Plan assistance). Thus the overall Plan

outlay by the Centre and the States during the year, as budgeted, will be Rs. 2,235 crores.

37. The Union budget for 1969-70 was framed against the background of the sluggish trends in investment activity in the economy, and attempted to correct these trends. The budget gave certain concessions on taxation of dividend incomes from company shares and also on corporate income. The extension of the provision for tax holiday (in respect of new concerns) by five more years and the inclusion of jute and cotton textile industries among 'priority' industries for the purpose of higher rate of development rebate are the other major fiscal measures adopted in the budget for stimulating investment. The budget has also attempted to impart some buoyancy to Governmental revenues by extending the coverage of *ad valorem* rates of excise duties and by bringing within the excise tax net additional commodities. A significant proposal in the budget is to bring within the ambit of the Wealth Tax Act, with effect from the assessment year 1970-71, agricultural property, hitherto outside the tax net, with suitable exemptions to genuine agriculturists. The proceeds from this tax measure will be transferred to the States as grants-in aid. The aggregate receipts (revenue and capital) of the Centre, as provided in the budget, at Rs. 5,304 crores (including the yield from additional tax measures) fall short of the total expenditure (revenue and capital) amounting to Rs. 5,558 crores (including miscellaneous transactions), leaving a gap of Rs. 254 crores to be met through deficit financing. Both receipts and disbursements are appreciably larger than in the previous year, the former by Rs. 369 crores and the latter by Rs. 363 crores.

38. The State budgets for 1969-70 anticipate an overall deficit (at 1968-69 rates of taxation) of Rs. 315 crores which is an increase of Rs. 162 crores over the deficit for 1968-69 (revised estimates). While receipts on both revenue and capital accounts are expected to exceed the 1968-69 (revised estimates) level by Rs. 59 crores, the disbursements are expected to be larger by Rs. 220 crores. The increase in disbursements is wholly on non-Plan account; the outlay on State Plans has been reduced from Rs. 1,059 crores in 1968-69 (revised estimates) to Rs. 947 crores in 1969-70.

39. In 1969-70, the expected revenue deficit (at 1968-69 level of taxation) at Rs. 293 crores is higher by Rs. 182 crores than the revised estimates for 1968-69. As compared to the revised estimates for 1968-69 the revenue receipts will show an increase of Rs. 134 crores in 1969-70, whereas revenue expenditure is expected to show a larger increase of Rs. 316 crores; of the latter, Rs. 202 crores is under developmental heads and Rs. 114 crores under non-developmental heads. In 1968-69 (revised estimates) expenditure on account of upward revision of pay and allowances had amounted to around Rs. 75 crores; in 1969-70 the upward revisions are estimated to cost an additional Rs. 93 crores; this additional expenditure would be spread over both developmental and non-developmental items. The main developmental items which are expected to show large increases are education (Rs. 92 crores) and medical and public health (Rs. 55 crores); under the non-developmental heads, the main increase is under debt services and civil administration (Rs. 61 crores and Rs. 41 crores respectively). With regard to capital account, while both receipts and disbursements show declines relatively to 1968-69, (revised estimates) the decline in receipts of Rs. 75 crores is smaller than the decline in disbursements of Rs. 94 crores. Consequently the deficit on capital account is lower at Rs. 22 crores than Rs. 41 crores in 1968-69 (revised estimates). Taking into account the yield of Rs. 22 crores from fresh taxes proposed by seven States and the amount of Rs. 26 crores which will accrue to the States out of the Centre's additional measures, the overall deficit in 1969-70 is expected to be Rs. 267 crores. However, there is likely to be some change in the financial position of the States as a result of the recommendations of the Fifth Finance Commission and also of the adoption of final budget by some of the States which have presented only provisional estimates so far.

40. The additional tax measures proposed by the Centre and States during the current fiscal year are estimated to yield Rs. 144 crores in a full year—Rs. 122 crores from measures taken by the Central Government and the balance from those proposed by the States. In addition, the revision of telephone and telegraph rates announced in the Union budget will bring in Rs. 6.46 crores during 1969-70. As against the five year target of additional mobilisation of Rs. 2,709 crores envisaged in the draft Plan document to be done through taxation and surplus of public enterprises, the measures taken in 1969-70 are expected to yield over Rs. 750 crores in five years.

41. During 1968-69 (April-March) the net internal market borrowings of the Central and State Governments taken together (Rs. 182 crores) were about Rs. 10 crore less than in the previous year. The loan operations of the Central Government in 1968-69 were executed in two instalments. The 5½ per cent Loan 1995 which was floated in May 1968 brought in Rs. 178.6 crores (gross) Rs. 61.7 crores in cash and Rs. 116.9 crores through conversion. The 4½ per cent Loan 1975 issued in July 1968 attracted Rs. 142.1 crores (gross) Rs. 76.2 crores in cash and Rs. 65.9 crores through conversion. After providing for repayment of loans maturing during the year and not tendered for conversion, the net market borrowings of the Centre worked out to Rs. 81.4 crores—about Rs. 12.4 crores smaller than in 1967-68 but Rs. 20 crores more than the amount estimated in the budget for 1968-69. The State Governments entered the market with a 12-year issue of 5½ per cent Loan for Rs. 116.5 crores (gross) in September 1968 at issue prices ranging from Rs. 97.50 to Rs. 99.50 per Rs. 100. Out of applications for Rs. 134.7 crores received, Rs. 128.1 crores (gross) were retained. Cash subscriptions retained amounted to Rs. 117.6 crores (gross) and the balance represented conversion. Net borrowings of the States during the year amounted to Rs. 70.3 crores as compared with Rs. 68.1 crores in 1967-68. The aggregate net borrowings of the Central and State Governments in 1968-69 thus amounted to Rs. 151.7 crores as against Rs. 161.9 crores in the previous year.

42. For 1969-70, the Central budget has taken credit for Rs. 500 crores for gross internal market borrowings as against Rs. 300 crores (budgeted) in 1968-69. Loans maturing for repayment during the year are also higher at nearly Rs. 400 crores compared with about Rs. 240 crores last year. In the first phase of the borrowing programme, the centre issued on April 30, 1969, a 30-year 5½ per cent Loan 1999, for an amount of Rs. 250 crores. Conversion facilities were offered for the 4 per cent Loan 1969. The total gross subscriptions amounted to Rs. 275 crores, Rs. 107 crores in cash and Rs. 168 crores by way of conversion. In the second phase, a 4½ per cent Loan 1976 was issued on July 1, 1969, for an amount of Rs. 250 crores, and the 3½ per cent Bonds 1969 were given conversion facilities against the new Loan. Total gross subscriptions amounted to Rs. 260.1 crores, Rs. 98.6 crores in cash and Rs. 161.5 crores in conversion. After providing for repayment of unconverted portions of the loans maturing during the year, the net market borrowings of the Central Government during 1969-70 would amount to Rs. 142 crores, which exceed the budget target by Rs. 39 crores.

43. The successful floatation of Government loans was an aspect of the generally firm trends in the gilt-edged market. The Reserve Bank's open market policy was directed to the maintenance of orderly and active trading conditions in the market, alignment of the yield pattern to the comfortable conditions in the money market and effecting net sales of securities over the year. The purchase and sales of securities by the Reserve Bank during the year amounted to Rs. 306.0 crores and Rs. 359.8 crores respectively, and the net sales, to Rs. 53.8 crores—the same as last year. The Reserve Bank's Index for Government and Semi-Government Securities Base: 1961-62=100) rose gradually from 98.0 at end-June 1968 to 99.0 at end-May 1969 and continued at that level for rest of the period.

44. The net collections under small savings amounted to Rs. 110 crores during 1968-69 (April-March), short of the collections in the preceding year by Rs. 12 crores. The response to the Public Provident Fund Scheme which was intended to provide an additional savings medium to self-employed persons and which came into operation from July 1, 1968 also fell far short of expectations. As against an amount of Rs. 10 crores of collections expected in 1968-69, the actuals amounted to roughly over a crore of rupees only.

45. A major event during the year, as mentioned earlier, was the presentation in April 1969 of the revised Fourth Five Year Plan for the period 1969-70 to 1973-74, to Parliament. The plan aims at achieving a growth rate of 5.5 per cent per annum in national output under conditions of price stability and with reduced reliance on foreign aid. Foodgrains imports are proposed to be eliminated by 1971-72. The stepping up of the average savings rate in the economy from the current level of 9 per cent per annum to around 12.6 per cent by the end of the plan, an increase in exports of 7 per cent per annum, and the containment of growth in imports at around 5 per cent per annum are some of the basic policy postulates of the plan.

46. The total outlay provided for in the plan is Rs. 24,398 crores comprising an outlay of Rs. 14,398 crores in the public sector and Rs. 10,000 crores in the private sector. The average annual outlay in the public sector envisaged in the plan period is Rs. 2,880 crores as compared with the average outlay of Rs. 2,250 crores for the three Annual Plans and the annual average of Rs. 1,715 crores during the

Third Plan. The public sector outlay comprises Rs. 12,252 crores on investment and Rs. 2,146 crores on current outlay. Of the total outlay of Rs. 14,398 crores, Rs. 8,332 crores is the Centre's outlay (including Union Territories and Centrally sponsored schemes) and Rs. 6,066 crores, the States' outlay. Sector-wise, agriculture and allied sectors (including irrigation and flood control) industries and minerals and transport and communications, will each account for 22 per cent of the outlay in the public sector. The outlay on power projects will claim nearly 14 per cent of the total, that on social services 17 per cent, and that on miscellaneous items the remaining 3 per cent. The financing of the public sector outlay (Rs. 14,398 crores) is proposed to be undertaken to the extent of Rs. 2,455 crores (17.0 per cent) from balances from current revenues at 1968-69 rates of taxes. The other sources of finance are, surpluses of public enterprises at 1968-69 fares, freights and tariffs (Rs. 1,895 crores or 13.2 per cent), market borrowings (net) (Rs. 1,166 crores or 8.1 per cent); small savings (net) (Rs. 800 crores or 5.5 per cent); loans from the Life Insurance Corporation and market, borrowings by State enterprises (gross) (Rs. 343 crores or 2.4 per cent), miscellaneous capital receipts, State provident funds, annuity deposits, etc. (Rs. 1,666 crores or 11.6 per cent); external assistance (net) (Rs. 2,514 crores or 17.5 per cent); and additional mobilisation during the Plan period (Rs. 2,709 crores or 18.8 per cent). Deficit financing would be of the order of Rs. 850 crores (or 5.9 per cent).

#### *Private Corporate Sector*

47. Consequent on the improvement in the economic situation and certain tax concessions granted in the 1968-69 and 1969-70 Budgets for encouraging investment in the corporate sector, there was a revival of interest in industrial securities among the investing public, which was reflected in a substantial improvement in stock prices during the year. However, this trend in stock prices has not by the end of the period under review (June 1969) been accompanied by clear indications of a pick up in new investment activity in the private corporate sector.

48. Consents for capital issues\* in respect of non-government public limited companies in the form of shares and debentures (excluding bonus and miscellaneous issues), amounted to Rs. 76.5 crores during 1968-69 (April-March) as against Rs. 126.1 crores in 1967-68. The consents for initial issues were also lower at Rs. 25.6 crores as against Rs. 30.7 crores in 1967-68 (April-March). Securitywise, consents for equity issues declined to Rs. 37.8 crores as against Rs. 71.2 crores last year, and those for debentures and preference shares to Rs. 27.7 crores and Rs. 10.9 crores from Rs. 40.1 crores and Rs. 14.7 crores, respectively. Consents for bonus issues amounted to Rs. 34.5 crores in 1968-69 as against Rs. 33.9 crores in 1967-68. A major relaxation in the control of capital issues was introduced in February 1969. Excepting mainly bonus issues and issues at a premium, non-government public limited companies issuing capital in accordance with stipulated financial criteria and prescribed limits regarding rates of dividend (on preference shares) and interest (on debentures) would only be required to file one month in advance a statement of proposals in regard to such issues with the Controller of Capital Issues.

49. The new capital issue activity slackened during July 1968—June 1969\*\* and the total amount issued through prospectus amounted to Rs. 55.6 crores in 1968-69 which was lower than in 1967-68 (Rs. 77.1 crores). Initial issues were also lower at Rs. 9.0 crores as against Rs. 11.0 crores during 1967-68. The decline was mainly in equity issues. Preference issues were also lower, while debenture issues were larger. The public response to capital issues was selective and a few issues were over-subscribed. The institutional investors provided substantial underwriting support, the proportion of the amount devolving on underwriters, at 41 per cent, being almost the same as in the previous year. Actual capital raised (excluding bonus and miscellaneous issues) by non-Government companies aggregated Rs. 84.3 crores in 1968 as against Rs. 84.8 crores in 1967.

50. In the major stock markets, the recovery in equity prices noticed last year continued, and from January 1969 prices began to rise at a rapid rate. While genuine investment interest stimulated by the tax concessions granted in the last two budgets and the improved outlook for the economy initiated and propelled the recovery, some unhealthy and undesirable speculative interest also developed and exerted pressure on stock prices subsequently. To curb this unhealthy trend, the Government imposed a ban in the last week of June 1969 on forward trading in shares in all the stock exchanges in India.

\* The 'consents' figures include also proposals for new capital issues in respect of which no prior consent or 'no objection certificate' is required, consequent on the relaxation of procedure from February, 1969.

\*\* Preliminary data.

51. The buoyancy in the initial stages reflected the confidence generated in the market by the recovery in industrial output, the high level of agricultural production, the abatement of inflationary pressures, a substantial improvement in exports, and good corporate news. The Union Budget for 1969-70 also strengthened the market sentiment by reducing the export duties on tea and jute goods, raising the income tax exemption for dividend income from Rs. 500 to Rs. 1,000 and the grant of concessions to the cotton textile industry in respect of excise duties and development rebate. The Reserve Bank's All-India Index of Prices of Variable Dividend Industrial Securities (base: 1961-62=100) which stood at 80.6 during the week ended July 6, 1968 had moved up to 81.4 by the end of August 1968 and after a temporary decline to 79.1 during the week ended September 28, 1968, it rose to 80.4 at the end of November 1968. The availability of good scrips for investment in the face of improved expectations proved inadequate in view of the continued investment in good scrips by the major institutional investors. Total investment in equities by the major institutional investors amounted to Rs. 8 crores during 1968-69 as against Rs. 9 crores in 1967-68. Over the period 1962 to 1967 when the stock market was in a depressed state net investment by major institutional investors amounted to Rs. 75 crores. There was also speculative activity in a few scrips motivated, according to reports by a desire to acquire control over the companies concerned in view of the impending termination of managing agencies as from April 1970. Thus in view of the change in the supply position of good stocks in the market, speculators became active and tightened their grip over the market by cornering floating stocks. As a result, equity prices began to soar at the rapid rate, lifting the index from 80.4 at end November 1968 to 99.8 during the week ended June 14, 1969. In the rising phase there was liquidation by institutional investors to book profits. However, this institutional disinvestment in the rising phase had no visible impact on the stock prices.

52. To curb the unhealthy speculative activity in the market and to restore normal conditions for investment by genuine investors, the Government of India imposed a ban on forward trading in shares on June 27, 1969. Stock prices, thereafter, reacted and the index came down to 96.9 by July 5, 1969. Over the year as a whole, the index recorded a net rise of 23.2 per cent as against a rise of 4.5 per cent in the preceding year.

53. The term-lending institutions\* sanctioned higher financial assistance to the private corporate sector during 1968-69 (April-March) as compared with the preceding year. Aggregate financial assistance sanctioned by them in the form of loans, underwriting and direct subscriptions to shares and debentures rose from Rs. 87.1 crores in 1967-68 (April-March) to Rs. 137.5 crores\*\* in 1968-69. But disbursements were lower at Rs. 85.1 crores in 1968-69 as compared with Rs. 105 crores in the previous year. Loans @ sanctioned by the Industrial Development Bank rose from Rs. 26.6 crores in 1967-68 to Rs. 47.1 crores in 1968-69, but disbursements declined from Rs. 39 crores to Rs. 27.4 crores.

54. Besides the term-lending institutions, the Unit Trust of India and the Life Insurance Corporation also substantially assisted the Private corporate sector by their underwriting and investment operations. Last year the investments in shares and debentures by the Life Insurance Corporation had risen by Rs. 10 crores to stand at Rs. 202 crores as at the end of March 1968. The underwriting and direct subscriptions sanctioned by the Unit Trust of India amounted to Rs. 10.3 crores during 1968-69 (April-March) as compared with Rs. 8.3 crores in the previous year. Considerable progress was made under the Credit Guarantee Scheme of the Government for assisting small-scale industries, and as an inducement to the credit institutions to provide more assistance to small-scale industries, the rate of guarantee fee was reduced.

55. In the bullion market, there were wide swings in both silver and gold prices during the year. The uptrend in silver prices noticed last year continued till December 1968 and in this phase, the quotation touched an all-time high of Rs. 633 per kg. on September 19, 1968. But with the promulgation of an Ordinance in January 1969 incorporating stringent regulatory provisions in the Customs Act 1962 in regard to possession, sale and transport of silver and imported luxury goods, silver received a set-back and prices slumped to Rs. 529 per kg. on January 4, 1969. After a feeble recovery for a temporary period, the prices again eased almost continuously and the quotation closed for the year at Rs. 457.00 per kg. showing

\* IDBI, IFCI, ICICI, SFCs and SIDCs.

\*\*Figures for 1968-69 are preliminary.

② Including refinance to banks and rediscounts.

a net loss of Rs. 67 over the year. In the international market, silver prices, after reaching a high of \$ 2.56 per oz. on June 12, 1968, tended to move downwards and touched \$ 1.56 at the end of June 1969 showing a fall of 39 per cent over the year.

56. In spot trading in the Bombay market, gold prices were on the uptrend from December 1968, with the emergence of the seasonal demand and the restricted inflow of gold following stricter vigilance exercised by the Customs. Prices began to soar and reached Rs. 186 per ten grammes on April 21, 1969. Thereafter, prices hovered between Rs. 186 and Rs. 181 upto the end of May and eased to Rs. 167.60 following tapering off of the seasonal demand. Over the year, the increase in the price of gold was Rs. 6.00 per ten grammes.

57. Gold prices in the international free markets continued to command a high premium over the official price. The price of gold in London ruled between \$ 37.80 and \$ 41.10 per oz. between July and September 1968, but thereafter prices tended to firm up following uncertainties regarding leading world currencies and withholding of sales of newly mined gold by South Africa in the international gold markets. The firm trend became more pronounced on expectations of an upward revision of the official price of gold following a statement in December 1968 by a member of the new American Administration and subsequent rumours of a devaluation of the French franc. In the London market the price of gold rose to \$ 43.75 per oz. and in the Paris market, to \$ 48.43 per oz. on March 10 1969. Subsequently, the speculative fervour abated and prices eased to \$41.22.

#### *Investment Finance for Agriculture*

58. There has been since 1967-68 a considerable step-up in institutional financing of investment in agriculture. The table below sets out the data. As may be seen from the table, there has been a considerable increase in the issues of debentures by co-operative land mortgage/development banks and in loan commitments by the Agricultural Refinance Corporation (A.R.C.). The A.R.C. disbursements during 1968-69 were also considerably larger than in the previous years.

Table 7—Investments Finance for Agriculture

(Amount in crores of Rupees)

| Year<br>(July-June)         | Debentures floated<br>by Central Co-<br>operative Land<br>Mortgage/Deve-<br>lopment Banks | Agricultural Refinance<br>Corporation |  |  | Reserve Bank of<br>India      |      |
|-----------------------------|---|---------------------------------------|--|--|-------------------------------|------|
|                             |   | No. of<br>schem-<br>es**              | Total<br>financial<br>outlay<br>of the<br>corpora-<br>tion's<br>commit-<br>ments<br>in the<br>year | Disburse-<br>ments<br>during<br>the year | Medium term<br>loans          |      |
| Ordinary<br>Deben-<br>tures | Rural<br>Deben-<br>tures  | sanc-<br>tioned<br>schemes            | the year   | Amount<br>Drawals<br>sanction-<br>ed     | Drawals<br>during<br>the year |      |
| 1960-61                     | . . .   | 9.97                                  | 1.55   | .. .. ..                                 | 4.63                          | 5.69 |
| 1961-62                     | . . .   | 10.50                                 | 2.38*  | .. .. ..                                 | 9.56                          | 7.39 |
| 1962-63                     | . . .   | 19.25                                 | 1.57   | .. .. ..                                 | 9.31                          | 4.18 |
| 1963-64                     | . . .   | 23.34                                 | 1.84   | 3 2.23 2.01                              | 14.01                         | 7.45 |
| 1964-65                     | . . .   | 34.81                                 | 3.23   | 8 11.02 9.35                             | 0.45 14.39                    | 7.91 |
| 1965-66                     | . . .   | 43.10                                 | 4.33   | 14 13.31 10.31                           | 4.45 14.11                    | 7.45 |
| 1966-67                     | . . .   | 52.05                                 | 2.93   | 13 9.18 7.36                             | 2.03 15.41                    | 9.12 |
| 1967-68                     | . . .   | 64.51                                 | 1.57   | 87 67.01 58.13                           | 5.61 16.57                    | 9.12 |
| 1968-69                     | . . .   | 103.33                                | 5.00   | 108 79.21 69.32                          | 17.84 19.00                   | 9.02 |

\*Includes special development debentures of Rs. 13.5 lakhs.

\*\*Excluding schemes sanctioned but subsequently withdrawn.

*Money, Credit and Credit Policy*

59. The increase in money supply with the public during the year 1968-69 (July-June) at Rs. 861 crores was higher than that in the preceding year (Rs. 511 crores). In percentage terms, it was about the same in both the years (10.2 per cent in 1968-69 and 10.3 per cent in 1967-68).

Table 8.—Trends in Money Supply and Monetary Resources

|   | (Amount in crores of rupees)           |                   |  |  |
|---|--|-------------------|--|--|
|   | Variations during July-June<br>1967-68 | 1968-69           | Out-standing<br>as on June<br>27, 1969 |  |
| 1. Currency                             | +235<br>(+7.3)                         | +367<br>(+10.6)   | 3,815                                  |  |
| 2. Deposit Money                        | +276<br>(+15.7)                        | +194<br>(+9.6)    | 2,223                                  |  |
| 3. Money Supply                         | +511<br>(+10.3)                        | +561<br>(+10.2)   | 6,038                                  |  |
| 4. Bank's Time Deposits                 | +258<br>(+13.2)                        | +465<br>(+21.1)   | 2,671                                  |  |
| 5. Total Monetary Resources (Items 3+4) | +769<br>(+11.1)                        | +1,026<br>(+13.4) | 8,709                                  |  |

NOTE : Figures in brackets represent percentage variations.

Componentwise, the increase under currency (Rs. 367 crores) was considerably larger than the expansion in deposit money (Rs. 194 crores). Deposit money thus constituted only 35 per cent of the increase in money supply during the year as compared to 40 to 55 per cent in the earlier years. The change probably reflects the relatively large rise in incomes in rural areas (with their preference for cash). Total monetary resources, covering currency with the public and aggregate deposits of banks, increased sharply by Rs. 1,026 crores (13.4 per cent) as against the increase of Rs. 769 crores (11.1 per cent) in 1967-68. A relatively large accretion to time deposits with banks which was aided by their branch expansion programmes contributed to the larger rise in monetary resources during the year.

Table 9.—Factors Affecting Money Supply

|   | (Amount in crores of rupees)           |                  |  |  |
|---|--|------------------|--|--|
|   | Variations during July-June<br>1967-68 | 1968-69          | Out-standing<br>as on June<br>27, 1969 |  |
| 1. Net Bank Credit to Government  | +171<br>(+4.1)                         | +440<br>(+10.0)  | 4,829                                  |  |
| 2. Net Bank Credit to Private Sector  | +313<br>(+28.1)                        | +129<br>(+9.0)   | 1,555                                  |  |
| 3. Net Foreign Exchange Assets of the Banking Sector                                | +81<br>(+81.0)                         | +140*<br>(+77.3) | 321*                                   |  |
| 4. Government's Net Currency Liabilities to the Public                              | -2<br>(-0.6)                           | +31<br>(+9.7)    | 352                                    |  |
| Net Non-Monetary Liabilities of the Banking System (including Errors and Omissions) | +52<br>(+6.6)                          | +179*<br>(+21.3) | 1019*                                  |  |

\*Excluding the changes due to revaluation of gold held in the Issue Department of the Reserve Bank with effect from February 1, 1969.

NOTE. Figures in brackets represent percentage variations.

60. The bulk of the increase in money supply during the year was on account of net bank credit to Government which increased by Rs. 440 crores (10 per cent) as against Rs. 171 crores (4.1 per cent) in the previous year. The Reserve Bank's net credit to Government as well as the commercial banks' net investment in Government securities showed substantial increases during the year, the former by Rs. 271 crores and the latter by Rs. 169 crores, the corresponding figures for the Reserve Bank's net credit to Government during the year was partly due to the previous year were Rs. 113 crores and Rs. 58 crores. The larger increase in the Government loan to the Food Corporation of India following the transfer of the functions of the Food Department to the Corporation. The other major contributory factor to the increase in money supply during the year was the larger increase of Rs. 140 crores in foreign exchange assets as compared with the increase of Rs. 81 crores in the previous year. Both the commercial and co-operative banks increased the volume of their lendings during the year, the total increase in their lendings was Rs. 592 crores as against an increase of Rs. 564 crores last year. The expansionary impact of the increase in bank credit to the private sector on money supply was much smaller this year because of the larger increase in time deposits with banks. Thus, the expansion in net bank credit to the private sector (i.e. increase in bank credit to the sector minus increase in time deposits) was smaller in 1968-69 at Rs. 129 crores as compared with Rs. 313 crores in the preceding year. The expansionary effect of the above factors on money supply was partly offset by an increase of Rs. 179 crores in net non-monetary liabilities of the banking system (Rs. 52 crores in the previous year).

61. It should be noted, while interpreting the above data that bank credit "to the private sector" includes advances to public sector undertakings including the Food Corporation of India as well as to State Governments for commercial purposes (such as food purchases and distribution of fertilisers). An idea of the magnitude of these advances as well as their variations can be had from the table below which sets out figures of the scheduled commercial banks' advances under credit limits of Rs. 1 crore and above to public sector undertakings and advances to State Governments. The latest data available relate to December, 1968.

**Table 10.—Outstandings of Scheduled Commercial Bank Credit to the Public Sector.**

(Rs. crores)

|  | June 29,<br>1967 | December<br>29, 1967 | June 28,<br>1968   | December<br>29, 1968 |
|--|------------------|----------------------|--------------------|----------------------|
| (i) Government Companies and Corporations                                  | 80.96            | 92.21<br>(+13.9)     | 223.38<br>(+142.2) | 299.88<br>(+34.2)    |
| (ii) Other Government Bodies   | 18.33            | 9.80<br>(+46.5)      | 10.08<br>(+2.9)    | 14.44<br>(+43.2)     |
| (iii) State Governments  | 12.87            | 18.04<br>(+40.2)     | 22.86<br>(+26.7)   | 18.46<br>(-19.2)     |
| (iv) State Electricity Boards  | 1.90             | 3.13<br>(+64.7)      | 10.92<br>(+248.9)  | 10.74<br>(-1.6)      |
| (v) Grand Total  | 114.06           | 123.18<br>(+8.0)     | 267.24<br>(+116.9) | 343.52<br>(+28.5)    |
| (vi) Total Scheduled Bank Credit   | 2637.10          | 2725.20<br>(+3.6)    | 3102.90<br>(+13.9) | 3069.00<br>(-1.1)    |
| (vii) Proportion of Credit to Public Sector to total Scheduled Bank Credit | 4.3              | 4.5                  | 8.6                | 11.2                 |

NOTE : Figures in brackets indicate percentage change over the previous period.

62. During the 1968 slack season (May-October), the contraction in money supply was Rs. 130 crores as against Rs. 63 crores in the 1967 slack season. This larger contraction was partly on account of a smaller increase in net bank credit to Government and a larger contraction in net bank credit to the private sector during the 1968 slack season as compared with the 1967 slack season. In the 1968-69 busy season (November-April), however, the expansion in money supply was higher—Rs. 606 crores as against Rs. 546 crores in the previous busy season—on account mainly of larger extension of credit to Government.

63. The salient feature of the credit situation during the year as a whole was a relatively large increase in scheduled commercial banks' deposits and the maintenance of a fairly high credit-deposit ratio throughout the year. The usual slack season contraction in bank credit in 1968 was of a lower order than in the previous year (Rs. 43 crores as against Rs. 101 crores in 1967). The growth in deposits during the season, however, was Rs. 239 crores as against Rs. 194 crores in the 1967 slack season. Of the deposit increase, time deposits accounted for Rs. 227 crores as compared with Rs. 130 crores in the previous slack season and demand deposits Rs. 12 crores (Rs. 64 crores in 1967). During the 1968 slack season the banks made larger repayments of borrowings from the Reserve Bank (Rs. 82 crores as compared with Rs. 36 crores in the previous year). With the smaller credit contraction and the larger repayments to the Reserve Bank, the funds available for investment in Government securities were lower and investments therefore went up by only Rs. 134 crores as against Rs. 218 crores in the corresponding period of last year. In the result, the investment-deposit ratio was lower at 26.8 per cent at the end of 1968 slack season as against 31.4 per cent at the end of 1967 slack season.

Table II.—Scheduled Commercial Bank Data

(Rs. crores)

|  | Variations during       |                         |                           |                           |                  | end-June<br>1969 over<br>end-June<br>1968 |
|--|-------------------------|-------------------------|---------------------------|---------------------------|------------------|---|
|  | Slack<br>Season<br>1967 | Slack<br>Season<br>1968 | Busy<br>Season<br>1967-68 | Busy<br>Season<br>1968-69 |                  |   |
| 1. Aggregate Deposits                      |                         |                         |                           |                           |                  |   |
| (a) Demand                                 | ..                      | +193.9                  | +238.9                    | +219.1                    | +324.9           | +638.9                                    |
| (b) Time                                   | ..                      | +63.5                   | +12.3                     | +122.2                    | +145.1           | +198.0                                    |
|  | ..                      | +130.4                  | +226.6                    | +96.9                     | +179.8           | +440.9                                    |
| 2. Borrowings from R.B.I.                  | ..                      | -36.0                   | -81.9                     | +105.3                    | +70.8            | +68.7                                     |
| 3. Bank Credit                             | ..                      | -101.0<br>(70.2)        | -42.9<br>(73.7)           | +508.7<br>(79.4)          | +426.7<br>(78.0) | +435.3<br>(76.8)                          |
| 4. Investments in Government<br>Securities | ..                      | +218.2<br>(31.4)        | +133.9<br>(26.8)          | -182.3<br>(24.9)          | -43.2<br>(23.8)  | +157.5<br>(24.6)                          |
| 5. Cash Reserves                           | ..                      | +23.5<br>(6.4)          | +30.2<br>(6.3)            | -4.2<br>(5.9)             | +20.2<br>(6.3)   | +73.5<br>(7.4)                            |

NOTE :—Figures in brackets indicate percentages to aggregate deposits.

64. The smaller credit contraction during the 1968 slack season was partly accounted for by an increase in food procurement advances and partly by a larger increase in non-seasonal advances which expanded by Rs. 110.5 crores as against Rs. 78.0 crores in the 1967 slack season.

65. As the credit contraction in the 1968 slack season was relatively small, the busy season of 1968-69 started with a large credit base. The seasonal expansion (Rs. 427 crores), however, was smaller than in the 1967-68 busy season (Rs. 509 crores). On the other hand, the increase in banks' deposits was much larger than in the 1967-68 busy season (Rs. 325 crores in 1968-69 as against Rs. 219 crores in 1967-68 busy season). Of this, time deposits accounted for Rs. 180 crores (Rs. 97

crores in 1967-68 busy season) and demand deposits Rs. 145 crores (Rs. 122 crores in the 1967-68 busy season). During the season the credit-deposit ratio went up by 4.3 points from 73.7 per cent at the end of October 1968 to 78 per cent at the end of April 1969 as compared to an increase of 9.2 points in the corresponding period of last year when the ratio had gone up from 70.2 per cent to 79.4 per cent. Reflecting the comfortable resources position of banks during the season, scheduled commercial banks' borrowings from the Reserve Bank as well as their disinvestment of Government securities were smaller than in the 1967-68 busy season. The increase in borrowings was only Rs. 71 crores as against Rs. 105 crores in the previous busy season while disinvestments were lower at Rs. 43 crores as against Rs. 182 crores in the previous busy season. The cash ratio also showed an improvement and stood at 0.3 per cent at the end of the season as compared with 5.9 per cent at the end of the previous busy season. The smaller credit expansion during the 1968-69 busy season was accounted for by a much smaller net increase in food procurement advances (Rs. 8 crores only as against Rs. 101 crores in the 1967-68 busy season) and a lower expansion in non-seasonal advances (Rs. 44 crores as against Rs. 112 crores). The smaller expansion in food procurement advances during the season was due to reductions in the outstandings for this purpose in January and March 1969. But over the season as a whole the outstanding level of advances for food procurement operations was relatively larger than in the corresponding months of the previous busy season.

66. As a result of the relatively liquid position of the banks, call money rates in the 1968-69 busy season ruled generally lower than in 1967-68. In Bombay, there was a temporary hardening of the rates to 5 per cent in March 1969 but thereafter, beginning with the second week of April, the rates declined. In Calcutta, where the movements were somewhat erratic, the peak call money rate of 6 per cent was reached in March 1969 and there was a progressive decline thereafter.

67. During the year, in view of the continuing need for assisting industrial recovery, stimulating exports and quickening the pace of agricultural development the policy of selective liberalisation of credit initiated in 1967 was maintained and extended. Increasing attention was also paid during the year to aligning credit policy to the urgent need for stimulating development especially in the rural areas and backward regions which had not benefited in an adequate measure from the developmental efforts in the past. While the basic policy of accommodation at the Bank rate or at the penal rates (determined on the basis of net liquidity ratio) was continued, the scope of concessional refinance to the priority sectors was expanded. Refinance at the Bank rate continued to be made available (a) so long as a bank's net liquidity ratio was at or above 30 per cent and (b) in respect of food procurement advances and export credit\* (irrespective of net liquidity ratio).

68. The range of advances qualifying for the concessional rate during the year may be briefly set out as follows: packing credit for exports of engineering and metallurgical goods continued, as in the earlier year, to be eligible for concessional refinance. In respect of all other export credit, except for a slight modification, @ increments over the base period in a bank's advances against exports (both pre-shipment and post-shipment) continued to be eligible for refinance at the concessional rate. As regards advances to the two other priority sectors, upto February 1969 only increments over a base period were eligible for the concessional rate, but from February 1969, the total of a bank's short-term outstanding eligible\*\* advances to these two sectors qualified for such refinance. However, along with this change, the method of calculating the net liquidity ratio was also simplified. Prior to this

\*Pre-shipment export credit in respect of all products other than engineering and metallurgical goods, and post-shipment credit for all exports. For metallurgical and engineering goods, pre-shipment credit is eligible for refinance at a concessional rate.

@The modification was : whereas prior to October 1968, only the total net increment in advances to all the three priority sectors taken together was eligible for concessional refinance, from October 1968 such increment in respect of each of the three sectors, taken separately became eligible for the concession. Illustratively, if there is an increase in advances to exports but a decline in those eligible for agriculture and/or small industries, the bank could get concessional refinance upto the full amount of the increase in respect of advances to exports.

\*\*Eligible advances are : short-term advances to agriculture and short-term advances to small-scale industries (guaranteed by the Credit Guarantee Organisation). In the case of agriculture, whereas upto October 1968, only credit for inputs (chemical fertilizers and pesticides) were eligible, since October 1968, advances for the distribution of these inputs, loans to farmers for Crop-finance, finance for fisheries, dairies, poultry, cold storage, etc., are also eligible.

change, increments (over the base period) of advances to agriculture and small-scale industries were taken into account along with the increments in advances against exports for treatment as net liquid assets. Since February 1969 only increments in advances against exports are eligible to be treated as liquid assets.

69. A significant procedural change which has facilitated pre-shipment export financing by banks was also introduced in January 1969. Under the new scheme (Pre-Shipment Credit Scheme), refinance to banks in respect of their packing credit (or pre-shipment advances) for exports are given under the amended Section 17-(3A) of the Reserve Bank of India Act 1934, and not under Section 17(4)(c) as earlier. Banks could now avail of refinance against packing credit by giving declarations of having extended packing credit advances and are not required to produce eligible usance promissory notes of individual parties. This would obviate the incidence of stamp duty and also time consuming procedures.

70. During the year, certain changes were also made in some operational norms mainly with a view to facilitating the flow of credit to agriculture and small-scale sector. Thus, in regard to the norm of 5 per cent (to total deposits) for a bank's term lending, the advances for agricultural development purposes refinanced or refinancable by the Agricultural Refinance Corporation and to small-scale industries covered by the Credit Guarantee Scheme were given exemptions. The Reserve Bank also indicated that in view of the comfortable resources position of the commercial banks on the one hand and the need to give a fillip to new investment in industry on the other, the Bank would not be averse to larger medium and long term lending, than the 5 per cent norm, by banks whose over-all position permitted this. To facilitate loans to borrowers of small means and bank guarantees on behalf of small scale industries, exemptions were also granted from the norm relating to unsecured guarantees and advances. Another change in operational norms made during the year was to allow the banks, in view of the improved position of the banking system, to maintain a higher credit-deposit ratio of 80 per cent (as compared to the earlier norm of an average of 75 per cent). If, however, the Reserve Bank felt, on banking considerations that a lower ratio was desirable in respect of any particular bank, the Bank would advise the bank concerned accordingly.

71. On the eve of the current slack season, the Governor in his meeting with the Chairman/Chief Executives of the leading banks, reviewed the credit situation and indicated to the banks that rather than investing in short-dated Treasury bills, which was hitherto the practice, it would be preferable for them to utilise the liquid resources in the current slack season to invest larger amounts in the longer-dated trustee securities particularly those issued by bodies like Electricity Boards, Industrial Finance Corporations, Land Mortgage Banks etc., the expansion of whose resources would help to revive the demand for several capital goods industries and give added impetus to agricultural output and industrial development. In keeping with the developmental needs of the economy and the objectives of social control over banks, the banks were also advised to use their resources to bring about a wider dispersion of credit both geographically and functionally, paying special attention to the requirements of less developed regions and people of small means, not only in agriculture and small-scale industries, but also in retail trade in rural areas, and in the category of the self-employed as well as those requiring finance for hire-purchase of taxis, trucks, scooters, etc. At the same time, the Governor indicated that in the light of the generally easy liquid position, banks should be careful to avoid their resources being diverted to support speculative activity and that they should apply restraints on lending to sectors which showed an unhealthy upward trend in prices.

72. As regards selective credit controls, in view of the better balance between supply and demand in respect of certain agricultural commodities in the earlier part of the year, the controls were relaxed in appropriate cases. In respect of wheat, the relaxations made at the outset of the year were continued. For paddy and rice, relaxations were made in December 1968 and January and March 1969. In the case of major oilseeds and oils, selective credit controls were relaxed initially in June 1968 as the supply position was relatively comfortable. However, with the prospects for a shortfall in production during the 1968-69 season, the controls were tightened in November 1968, and again further tightened in May 1969. For cotton and kapas, with the improvement in supply position, the controls on advances were relaxed in November 1968. But later, following the unsatisfactory supply position and with tendencies towards abnormal increases in prices, the controls were again tightened. As regards jute, following the unusually poor jute crop of 1968-69, prices

rose sharply and selective controls had to be imposed in order to prevent speculative hoarding of jute stocks.

73. During the year, the I.D.B.I. also took several measures aimed at giving a stimulus to long-term investment and exports. Three important changes made by the I.D.B.I. in this respect were: (i) a scheme introduced in December 1968 under which the I.D.B.I. would enter into participation arrangements with approved commercial banks for providing direct term finance and guarantee facilities to industrial concerns both in the public and private sectors exporting capital and engineering goods and services on a deferred credit basis, (ii) the extension, in January 1969 of the facilities under its rediscounting scheme for sale of indigenous machinery on deferred payment basis to public sector undertakings such as autonomous bodies like electricity undertakings, transport corporations and government companies; simultaneously the I.D.B.I. also reduced the cost of credit under the Scheme by lowering the margin which banks can charge over the I.D.B.I. rate from 2 per cent to 1 per cent; and (iii) the extension in May 1969 of the I.D.B.I.'s direct assistance to cover also modest expansion schemes of public sector undertakings, subject to certain criteria. To promote the growth of industries in the relatively under-developed areas, the I.D.B.I. also decided, just after the close of the year, to assist deserving small and medium projects emanating from such areas on softer terms (e.g. lower interest rates, longer grace and repayment periods etc.).

#### **Balance of Payments**

74. The balance of payments position which had shown a modest improvement in the previous year was substantially better during the year under review. The foreign exchange reserves showed an increase of \$118 million in 1968-69 (July-June). This increase was not only larger than that of last year (\$ 105 million), but it took place after a repurchase of \$ 128 million from the I.M.F. and a refunding of \$ 15 million of the special debt relief deposits from the I.B.R.D. By contrast, in the previous year the reserves had benefited from a net drawing of \$ 32 million from the I.M.F. and the receipt of \$ 46 million of special deposits from the I.B.R.D. The increase in reserves during 1968-69 would workout to \$ 261 million as against an increase of only \$ 41 million last year, if the transactions with the I.M.F. and the debt relief transactions with I.B.R.D. in both the years are excluded and allowance is made for the depreciation of sterling assets consequent on the devaluation of the pound sterling which affected the level of reserves in the previous year. While this relative improvement is welcome, it must be borne in mind that, besides the expected increase in the import bill following the growth in industrial production, there are growing debt service payments to be made and sizeable repayments to the I.M.F. are due in the coming year.

75. The marked improvement in reserves was brought about by a substantial narrowing of the trade deficit. Following an improved domestic supply situation, imports of foodgrains were scaled down. Imports of industrial products were also reduced where domestic industries were able to cater increasingly to the requirements of the economy. The availability of non-project assistance helped to curtail the free foreign exchange outlay on maintenance imports. The spurt in exports reflected larger domestic availabilities, the stimulus derived from the various promotional measures adopted by the Government and the vigorous efforts made by industrialists and businessmen for gaining access to the markets abroad as well as liberalised export credit facilities. The non-merchandise transactions, comprising mainly the debt service payments, continued to be in deficit, but it would appear that the net outgo on this account was somewhat smaller than last year.

76. Exports during the year 1968-69 (April-March) totalled, according to the DGCIS data, \$ 1813 million. At this level they showed an improvement of 13 per cent over the previous year's level and were also higher by 6 per cent than the previous peak of \$ 1715 million reached in 1964-65. The data for April-June 1969 indicate that the uptrend in exports has continued and the level of exports during this quarter was 12 per cent higher than in the corresponding months of 1968.

77. Exports to E.E.C. countries increased by 25 per cent and the U.S. by 13 per cent. It is noteworthy that exports to Asia and Oceania went up by 30 per cent. Exports to West Asian Countries have also increased and some of these markets have a high potential for India's non-traditional exports. There was also an 18 per cent increase in exports to rupee payment areas of Eastern Europe. In contrast, exports to EFTA countries showed a decline, mainly due to a 12 per cent fall in the exports to the U.K. An encouraging aspect of the new emerging export pattern is that a good part of the improvement in exports was to convertible currency areas. It is also significant that 60 per cent of the overall increase in exports during 1968-69 over the previous year was accounted for by the increase in exports to Asia and Oceania; 46 per cent of this was accounted for by ECAFE countries alone.

78. The spurt in exports was largely due to the rapid growth in exports of non-traditional items like iron and steel, engineering goods, iron ore and chemicals. Together these items accounted for about 50 per cent of the rise in exports during the 1968-69 fiscal year. Exports of engineering goods doubled to reach \$ 92 million; iron and steel rose by 44 per cent to \$ 105 million; and chemicals showed an increase of 51 per cent to \$ 32 million. The earnings from iron ore reached a sizeable level of \$ 118 million, showing an increase of 18 per cent. It is significant that many of these increases have been registered over large increases achieved in the previous year. The buoyancy in the exports of these items is attributable to the post-devaluation export policy which had laid special emphasis on the development of non-traditional export items. The import policy measures which have laid greater emphasis on export promotion and reduction of imports have also contributed to the new dynamism in non-traditional exports.

79. A number of traditional items also participated in the export growth, mainly as a result of increases in quantum. During the fiscal year ending March 1969, exports of cashew kernel at \$ 81 million showed an increase of 42 per cent, partly as a result of an improvement of about 14 per cent in the unit value; leather goods showed an increase of 36 per cent; oilcakes 9 per cent; and cotton textiles 11 per cent. Oilcakes and cotton textiles seemed to have emerged from the stagnation of the immediate post-devaluation period.

80. The picture presented by the upsurge in exports of the items noted above was somewhat dimmed by the decline in the exports of tea and jute manufactures, India's major export earners. Export earnings from tea declined by \$ 32 million or 13 per cent mainly because of a fall of 12 per cent in unit value. The decline of \$ 21 million (7 per cent) in exports of jute manufactures was a continuation of the downtrend that started earlier, the cumulative decline during the past three years being 24 per cent. There was a sharp reduction of 52 per cent in sacking and of 18 per cent in hessian exports. Carpet backing, the element of growth in exports of jute manufacturers, improved substantially by 34 per cent during the year.

81. On the imports side, again according to the DGCIS data for the fiscal year 1968-69, there was a reduction of 7 per cent as compared with 1967-68. The total imports during 1968-69 amounted to \$ 2482 million. The main factors which brought about the reduction in imports were the improvement in foodgrains output and the rise in domestic industrial production. Imports of foodgrains declined by 30 per cent; iron and steel by 19 per cent; transport equipment by 19 per cent; and electrical machinery by 5 per cent. But there were substantial increases in imports of fibres and of certain industrial goods. The import of raw jute was nearly two and a half times that in 1967-68. The other items which recorded relatively large increases were, raw cotton (9 per cent), cashewnuts (25 per cent), other chemicals (8 per cent) and non-electrical machinery (10 per cent).

82. It would be of interest to review in this context the broad trends in external trade over the last few years. During the Third Plan, the trade gap ranged between \$ 1007 million in 1960-61 and 1266 million in 1965-66. The gap started declining in 1966-67 and for 1968-69 it was \$ 669 million. The declining trend in the trade gap subsequent to 1965-66 is accounted for by an improvement in non-traditional exports and a decline in imports. The table below on India's principal exports shows that there have been important changes in the composition of exports and the rates of growth of the different items.

**Table 12: India's Principal Exports, 1960-61, 1965-66 and 1968-69 (U.S. \$ million)**

| Commodities   | 1960-61     | 1965-66     | 1968-69     | Change<br>1968-69<br>over<br>1965-66<br>(Percentage) |
|---|-------------|-------------|-------------|--|
| <b>Total Exports</b>                                      | <b>1349</b> | <b>1693</b> | <b>1813</b> | <b>7</b>   |
| <b>(A) Main non-traditional exports</b>                   | <b>93</b>   | <b>175</b>  | <b>347</b>  | <b>+ 98</b>  |
| Engineering goods   | 21          | 37          | 92          | + 149  |
| Iron and steel  | 21          | 26          | 105         | + 304  |
| Iron ore  | 36          | 89          | 118         | + 33   |
| Chemicals   | 15          | 23          | 32          | + 39   |
| <b>(B) Exports of other goods</b>                         | <b>1256</b> | <b>1518</b> | <b>1466</b> | <b>- 3</b>   |
| <b>Main Items showing a Rise</b>                          |             |             |             |  |
| Cashew kernels  | 40          | 58          | 81          | + 40   |
| Hides, skins and leather                                  | 72          | 79          | 104         | + 32   |
| Pearls, precious and semi-precious stones unworked/worked | neg.        | 31          | 60          | + 94   |
| Oilseeds and oils   | 29          | 9           | 25          | + 178  |
| Tobacco unmanufactured                                    | 31          | 41          | 44          | - 7  |
| <b>Main Items showing a Fall</b>                          |             |             |             |  |
| Tea   | 260         | 241         | 209         | - 13   |
| Jute yarn and manufactures                                | 284         | 384         | 291         | - 24   |
| Cotton manufactures (excluding yarn, thread and clothing) | 121         | 133         | 117         | - 12   |
| Oilcakes  | 30          | 73          | 66          | - 10   |
| Spices  | 35          | 49          | 34          | - 31   |

Source : DGCIS.

83. Although exports rose by only 7 per cent between 1965-66 and 1968-69, this increase was the net result of a 9 per cent decline in the immediate post-devaluation year 1966-67 followed by increases of 4 per cent and 13 per cent respectively in the two subsequent years. More striking than the overall increase in exports has been the improvement in export levels of non-traditional commodities, viz., iron ore, iron and steel, engineering goods and chemicals, which rose from \$ 175 million in 1965-66 to \$ 347 million in 1968-69. Between 1960-61 and 1965-66 these items had grown from \$ 93 million to \$ 175 million. On the other hand, the major non-traditional items such as jute manufactures, tea and cotton textiles, have shown declines between 1965-66 and 1968-69. In the case of raw jute and cotton textiles, high raw material costs and keen external competition have rendered increases in exports difficult.

84. The table below sets out the trends in imports between 1960-61 and 1968-69.

**Table 13 : India's Principal Imports 1960-61, 1965-66 and 1968-69 (U.S.\$ million)**

| Commodities   | 1960-61 | 1965-66 | 1968-69 | Change<br>1968-69<br>over<br>1965-66<br>(Percentage) |
|---|---------|---------|---------|--|
| 1. Food (excluding cashewnuts)<br>of which cereal and cereal preparations | 430     | 712     | 495     | - 30   |
| 2. Raw cotton   | 381     | 676     | 449     | - 34   |
| 3. Raw Jute and mesta   | 172     | 97      | 120     | + 24   |
| 4. Cashewnuts   | 16      | 53      | 22      | - 58   |
| 5. Mineral oils   | 20      | 32      | 42      | + 31   |
| 6. Chemicals  | 146     | 143     | 112     | - 22   |
| of which : Fertilisers  | 180     | 221     | 375     | + 70   |
|   | 20      | 82      | 184     | + 124  |

| 1   | 2                                       | 3           | 4           | 5           | 6           |
|-----|---|-------------|-------------|-------------|-------------|
| 7.  | Machinery and transport equipment . . . | 700         | 1034        | 688         | —33         |
|     | of which                                |             |             |             |             |
|     | (a) Machinery other than electric . . . | 428         | 701         | 493         | —30         |
|     | (b) Electrical machinery . . .          | 120         | 164         | 103         | —41         |
|     | (c) Transport equipment . . .           | 152         | 149         | 87          | — 42        |
| 8.  | Iron and steel . . .                    | 257         | 206         | 115         | — 44        |
| 9.  | Non-ferrous metals . . .                | 99          | 145         | 119         | — 18        |
| 10. | Others . . .                            | 336         | 316         | 394         | + 25        |
|     | <b>TOTAL</b> . . .                      | <b>2356</b> | <b>2959</b> | <b>2482</b> | <b>— 16</b> |

Source : DGCIS.

85. Between 1960-61 and 1965-66 imports increased from \$ 2356 million to \$ 2959 million i.e. an increase of 26 per cent.; between 1965-66 and 1968-69, imports declined by 16 per cent. to \$ 2,482 million. While there was a general downward drift in imports after 1965-66 the sharp increase in fertilizer imports was in consonance with the determined effort to step up agricultural production. The overall decline in imports was more or less equally divided between agricultural and non-agricultural imports. While the decline in agricultural imports was by and large related to domestic agricultural output, the decline in non-agricultural imports—33 per cent. in machinery and transport equipment and 44 per cent. in iron and steel—reflects the show-down in the rate of growth of industrial production as well as the growing capacity of the economy to replace imports. In some spheres of industry such as non-ferrous metals, electrical machinery and appliances and iron and steel, production increased despite a reduction in imports which possibly indicates that in these sectors the dependence on imports has been reduced.

86. Besides merchandise transactions, there was also some improvement in invisibles on private account in regard to certain categories of transactions which are normally influenced by changes in the exchange rate. Inward remittances comprising mainly receipts by way of gifts, donations, repatriation of savings from abroad, family maintenance etc. which amounted to \$ 86 million in 1965, increased to \$ 96 million in 1967 and further to \$ 117 million in 1968. Outward remittances on the other hand, consisting mainly of transfer of profits, dividends, savings of foreign nationals, migrants' assets etc. which had increased from \$123 million in 1961 to \$ 135 million in 1965 declined to \$ 108 million in 1967 and came down further to \$ 96 million in 1968.

87. To go back, however, to the foreign exchange situation during the year under review, (fiscal 1968-69) the first point to note is that the year opened with a lower quantum of aid in the pipeline as a result of the drop in authorisations in the previous year. Authorisations during this year were larger by \$ 316 million or 33 per cent. mainly as a result of the step-up in aid by the U.S.A. (increase of \$ 118 million) and of assistance totalling \$ 205 million authorised by the I.D.A., France, Sweden and Italy from which no assistance was received in the preceding year. The aid utilised during 1968-69 amounted to \$ 1,083 million which was \$ 487 million lower than in 1967-68. The fall in imports, particularly of foodgrains, under the P.L. 480 Title I commodity assistance programme, was mainly responsible for the fall in aid utilised. Over the year, the aid in the pipeline increased by \$ 188 million to \$ 2,719 million at the end of March 1969.

88. Debt service payments comprising both interest and amortisation payments which more than doubled from \$ 191 million in 1961-62 to \$ 436 million in 1967-68 increased further to \$ 490 million in 1968-69. Consequently, the net inflow of foreign aid, which had progressively increased from \$ 520 million in 1961-62 to \$ 1,307 million by 1965-66 declined thereafter to \$ 1,145 million in 1966-67, \$ 1,132 million in 1967-68 and further to \$ 603 million in 1968-69.

#### International Monetary Problems

89. The trends in international trade during 1968 and the early part of 1969 have been on the whole heartening. The value of world trade during 1968 is estimated to have risen at a record rate of 11 per cent. While the increase in trade in recent years has been largely on account of trade in manufactures among the developed countries, in 1968 the developing countries as a group were

also able to share in the benefit of increased world trade to a larger extent than in the previous year. But currency crises threatening the world monetary system during the year have again brought to the fore the problem of resolving the difficulties relating to the existing trade, currency and payments arrangements. During 1968 and the early part of this year, the major currencies that were adversely affected were the pound sterling, the U.S. dollar and the French franc\* whereas the Deutsche mark continued to remain firm. Despite special arrangements such as the Basle Agreement for safeguarding sterling, the two-tier system for gold to discourage the flight into gold and arrangements regarding the recycling of speculative flows of funds from one currency into another, the need still remains for dealing with the basic problems underlying the currency crises.

90. Substantial progress was made during the year with the Scheme for Special Drawing Rights in the I.M.F. which would serve to supplement the existing arrangements for augmenting international liquidity. While the need for an improved balance of payments adjustment process brought about by the pursuit of appropriate policies both by the deficit and the surplus countries has to be recognised, it is also important that the measures taken in this regard are not such as to curtail the growth of world trade or create special problems for developing countries in the matter of their needs for trade as well as aid. In the present world context any attempt to introduce automatic mechanisms for restoring balance of payments position as in the classical gold standard arrangement is out of place. Nor is it practicable to think in terms of an international central bank discharging *vis-a-vis* the world economy the kind of functions that a national central bank is entrusted with in respect of the domestic economy. The world monetary system has to grow, as in the past, through a process of adaptation and orderly change. Viewed in this light, the scheme of S.D.Rs. as it has emerged is a major step forward with far-reaching potentialities in the direction of a more rationally operated international monetary system. The scheme, it is now expected, will get activated fairly early. Even so, there will, undoubtedly, remain in the field of international monetary management some difficult problems to be attended to.

91. The currency crises and balance of payments stringencies faced by some of the major countries have already had some adverse effects on the flow of trade and aid. From the point of view of the developing countries the urgent need is in fact not only to avoid any additional restrictions on imports into the richer countries or on the flow of developmental resources from these countries, but to augment the facilities for trade and the inflow of aid. The widening disparities between the developed and the under-developed countries as well as the growing debt servicing problems of a number of developing countries have added an urgency to the need for increased trade and aid. In this context, it is worth noting that the World Bank has appointed in August 1968 a Commission under the Chairmanship of Mr. Lester Pearson, formerly Prime Minister of Canada, to study the problems of external assistance and development, and to indicate what needs to be done by the developed and developing countries alike over the next decade and the next generation in order to take the developing countries on to sustained and self-sustaining growth. The Commission's Report is expected to become available towards the end of this year.

#### *Assessment and Prospects*

92. Overall, the industrial recovery that has taken place over the last year, the rise in exports and the steady strengthening of the agricultural potential through application of the new technology to progressively larger areas and a larger number of crops have placed the economy in a more favourable position for resumption of the process of economic growth which suffered a setback in the last few years. The picture, as it emerges from the review above, is not however, entirely satisfactory, and a better performance by the economy at a number of points will be needed before a full-scale resumption of orderly growth can be said to be under way.

93. Firstly, the virtual stagnancy of agricultural output at the previous year's level, though understandable against the background of the very large rise in the

\* On August 8, 1969, the French franc was devalued by 12.5 per cent.

† The proposed amendment to the Fund's Articles for establishing the SDR Scheme entered into force on July 28, 1969, following its acceptance by 69 member countries having 80.89 per cent of total voting power in the IMF.

previous year, highlights the well-recognised fact that the economy is still largely dependent on the vagaries of the monsoon. Secondly, the rise of over 10 per cent in the price level in the last six months, despite persistence of unutilised capacity in some of the heavy and capital goods industries and the relatively low level of public and private investment, indicates how tenuous the balance of the economy remains.

94. There is no doubt that for maintenance of the internal as well as the external balance of the economy a fair degree of price stability is the single, most important prerequisite. To this end, the basic need is for an increase in agricultural production continuously and at a fairly high rate. The growth rate of the economy depends vitally upon the performance of this sector. As the new technology spreads, one can look forward to progressive increases in the supplies of food and agricultural raw materials and, consequentially, in the rural demand, both for consumption goods and for capital goods and other inputs for agriculture produced by industry. The developmental impulses in the agricultural sector thus augur well for large-scale as well as small-scale industry. However, the fact remains that the break-through in agriculture is still in its early stages. The kind of research effort in the development of new seeds which has been made in respect of wheat, maize and rice has yet to be extended to pulses and non-food crops. Industrial recovery is still not vigorous enough; the rise of 7 per cent in the industrial production index achieved this year is below the growth rates recorded before the recession. The problem of unutilized capacity in a number of important industries persists. The economy as a whole is thus far from achieving a rate of investment commensurate with the achievement of the growth targets envisaged in the Fourth Plan.

95. A major source of weakness in the economic situation is the continuance of heavy budgetary deficits as reflected in net bank credit to Government. Net bank credit to the private sector has been less than it was last year. The progress of deposit mobilisation has been satisfactory; it has, in fact, exceeded expectations. Although a significant proportion of the Centre's deficit is traceable to the outlay on food procurement for building up a buffer stock of foodgrains, public savings have not as yet picked up and are far below the levels required to secure an adequate scale of investment in the public sector. The deficits of the State Governments are very large. Public enterprises have yet to yield the surpluses expected of them. The Planning Commission has stressed sufficiently in this context the need to realise larger surpluses from the heavy investments already made in public enterprises, including those such as irrigation, electricity and road transport in the States. It is also evident that the process of recovery in the private corporate sector is at present hampered by the slow pick-up in public investment outlays. On this ground, as well as in terms of the requirements of accelerated growth, the need is for more, and not less, investment. Yet, it is quite evident from the price rises that have occurred that public sector outlays cannot be raised safely unless aggregate savings, and public savings in particular, show a distinct improvement.

96. It must be stressed in this context that a containment of budgetary deficits is also essential for effective use of monetary policy for sustaining and strengthening the developmental impulses in agriculture, small-scale industries, exports and the related productive sectors of the economy, and for assisting a wider regional diffusion of industrial activity. The new dynamic role envisaged for commercial banks casts on the system increased responsibilities for meeting the large and varied credit needs of economic and social strata that have so far remained outside the purview of the modern institutional financing structure. Essentially the problem is not one of diverting a part of the community's savings from some sectors to others, but of augmenting the aggregate of those savings. To an extent, this could be achieved by curbs on consumption expenditures, both in the public and private sectors. Cuts in public expenditure are, however, never easy to achieve, and no one would advocate excessive parsimony in expenditure for meeting collective wants, such as education and medical services which go to build up what has been called human capital. In the main, therefore, the answer lies in greater productivity and more efficient use of productive factors—both labour as well as equipment. Healthy industrial relations are vitally necessary for ensuring this outcome.

97. The striking improvement in the external payments position is, undoubtedly, a most hopeful aspect of the recent economic trends. There is, no doubt, that the economy has now built up a large export potential and that valuable contacts have been built up in foreign markets. Yet, the task of export promotion is

a continuing one, and its success depends crucially on the maintenance of competitiveness in terms of comparative costs. Any resurgence of inflationary pressures and/or of rising unit costs—for whatever reason—cannot but affect the course of exports adversely. The Fourth Plan envisages a rise of 7 per cent per annum in export earnings. This target has to be achieved mainly through further substantial increases in newer exports. A close watch on prices as well as costs is also essential from this vital angle.

## II. DEVELOPMENT IN INDUSTRIAL FINANCE

### *Industrial Development Bank of India and other Term-lending Institutions*

98. Mention has already been made of the various policy measures IDBI has taken for enlarging the scope and size of its operations. There was a substantial increase in the aggregate assistance sanctioned by the all-India term-lending institutions as compared with previous year. However, disbursements were lower as compared with the previous year.

99. The total assistance sanctioned by the Industrial Development Bank of India under all its schemes increased from Rs. 40.3 crores in 1967-68 to Rs. 67.5 crores in 1968-69. Increases were registered in sanctions under each type of assistance. A feature of operations was the step-up in IDBI's assistance to exports both by way of refinance of medium-term export credits and under the new scheme introduced by the Bank in December 1968 for providing direct loans and guarantee facilities to exporters of capital and engineering goods and services on deferred payment basis; refinance assistance sanctioned rose from Rs. 0.3 crore in 1967-68 to Rs. 7.5 crores, while direct loans and guarantees amounted to Rs. 7.1 crores. There was a much wider dispersal of assistance over a larger number of small and medium borrowers than in the preceding year. Thus, the number of machinery manufacturers who benefited from the Bank's rediscounting scheme increased from 54 in 1967-68 to 104 and the number of purchaser users from 237 to 335. Also, sanctions of refinance of industrial loans at a concessional rate of interest granted by State Financial Corporations under the Credit Guarantee Scheme to small-scale industrial concerns increased from Rs. 51 lakhs on 23 applications in 1967-68 to Rs. 2.7 crores on 189 applications. IDBI's total disbursements too were higher at Rs. 48.7 crores as compared with Rs. 44.7 crores in 1967-68.

100. The operations of other all-India term-lending institutions also showed a rising trend during 1968-69 (April-March). Thus, sanctions of ICICI (rupee and foreign currency loans, underwriting and direct subscriptions) increased considerably from Rs. 15.3 crores in 1967-68 to Rs. 37.0 crores in 1968-69. Its disbursements at Rs. 18.2 crores were lower than in 1967-68 (Rs. 20.4 crores). This increase in sanctions was almost entirely under foreign currency loans. Total sanctions of IFCI (rupee loans and foreign currency loans, underwriting and direct subscriptions) were also higher at Rs. 27.6 crores in 1968-69 as compared with Rs. 20.0 crores in 1967-68. Its disbursements, like ICICI's declined from Rs. 23.9 crores in 1967-68 to Rs. 19.5 crores in 1968-69.

101. The loan operations during 1968-69 (April-March) of the State Financial Corporations (including the Madras Industrial Investment Corporation Ltd.), however, remained more or less at the last year's level. Thus, loans sanctioned by these Corporations during 1968-69 amounted to Rs. 19.3 crores as compared with Rs. 18.8 crores in 1967-68. However, their loan disbursements were higher at Rs. 17.4 crores than Rs. 15.3 crores in 1967-68. Loans outstanding as at the end of March 1969 stood at Rs. 91.9 crores.

102. Following the reduction in the Bank rate in March 1968 and in the light of the concessional rate of refinance charged by the IDBI for loans to small-scale industries covered under the Credit Guarantee Scheme, the lending rates of 14 SFCs were reduced in respect of loans to small-scale industries. The revised effective rates of interest of SFCs (barring one) on loans to small-scale industries ranged from 7 to 8 per cent as against 7-1/2 to 9 per cent prevalent earlier.

### *Financing of Small-Scale Industries*

103. The Credit Guarantee Scheme recorded further substantial progress during the year under review with respect both to the number of industrial units which received assistance under the scheme and scale of assistance provided, reflecting the intensification of the efforts that are being made for channelising an increasing proportion of bank funds to small-scale industries sector in consonance with the objectives of social control of banks. The Reserve Bank, which is entrusted with

the administration of the scheme, received 43,045 applications for credit limits aggregating Rs. 254.80 crores during July 1968-June 1969 as against 22,282 applications for credit limits aggregating Rs. 109.10 crores during the year 1967-68. The amount for which guaranteees were actually issued during July, 1968-June 1969 was significantly higher than in the preceding year—Rs. 188.34 crores as against Rs. 109.77 crores. Since the inauguration of the scheme to the end of June 1969, the guarantee obligation arose in respect of 135 advances; the Government's share of the amount in default was Rs. 17.87 lakhs.

104. In order to induce the credit institutions to render more assistance to small-scale industries and with a view to reducing the incidence of guarantee fees which, in many cases, are recovered by the credit institutions from the borrowing parties for payment to the Guarantee Organisation, the rate of guarantee fee was reduced effective October 1, 1968 from one-fourth of one per cent to one-tenth of one per cent per annum. The concession is restricted to those credit institutions which agreed to cover all their eligible advances to small-scale industries sanctioned or renewed after October 1, 1968 under the Guarantee Scheme. It was stated in the last report that the bulk of the applications for guarantee was received from the State Bank of India and its subsidiaries. Consequent on the grant of the above concession, most of the other major commercial banks and the State Financial Corporations decided to cover all their eligible advances to small-scale industries under the scheme. As a result, the share of the other major commercial banks in the guarantees issued increased appreciably as indicated below:

| Percentage of guaranteees issued to total guarantees | From 1-4-1968<br>to 30-9-1968 |        | From 1-10-1968<br>to 31-3-1969 |        |
|--|-------------------------------|--------|--------------------------------|--------|
|  | No.                           | Amount | No.                            | Amount |
| S.B.I. and Subsidiaries . . .                        | 80                            | 69     | 65                             | 55     |
| Other major commercial banks . . .                   | 17                            | 25     | 30                             | 34     |

105. Mention was made in the last year's report of the extension of the scheme to include advances to automobile servicing and repairing workshops. The scope of the scheme was further extended this year to some more categories of servicing and repairing workshops as also advances granted for the purpose of setting up cold storages. However, advances which might be used for trading in items which may be preserved in cold storage units are excluded from the purview of the scheme. A Working Group has been set up by the Bank to suggest further simplification and/or modification of the scheme with a view to expediting the issue of guarantees under the scheme. The work of the Group is in progress.

106. There was a further increase in the scale of assistance provided by the State Bank of India and its subsidiaries to the small-scale industries sector under their 'liberalised' scheme during the year. Thus, the number of small-scale units assisted by these banks with working capital as well as term finance rose from 18,079 as at the end of March 1968 to 23,781 as at the end of March 1969 and the total limits sanctioned rose from Rs. 119 crores to Rs. 180 crores. The outstanding advances stood at Rs. 92 crores as at the end of March 1969 as against Rs. 64 crores a year ago, showing a rise of 44 per cent over the year. Under the new scheme for extending financial support to craftsmen and other qualified entrepreneurs, instituted last year, applications for Rs. 2.73 crores were received by the State Bank of India and its subsidiaries up to March 1969. Loans for an amount of Rs. 0.90 crores were sanctioned to 98 applicants under the scheme.

#### Unit Trust of India

107. The operations of the Unit Trust of India (UTI) continued to show substantial rise in the sale of units during 1968-69. During the year ended June 30, 1969, sale of units amounted to Rs. 17.15 crores, as compared with Rs. 15.34 crores in the previous year. As on June 30, 1969 the aggregate value of the units sold and outstanding amounted to Rs. 56.63 crores the total number of unit holders registered with the Trust being over 2,62,000.

108. Repurchases of units by the Trust during the year ended June 30, 1969 amounted to Rs. 1.67 crores as against Rs. 1.22 crores in the preceding year.

109. The Trust announced a dividend of 7.1 per cent (71 paise per unit) to the unit holders for the year ended June 30, 1969 as compared to 7 per cent paid during the previous three years. It may be mentioned here that dividend from units upto Rs. 1,000 received by an individual unit holder is free of income tax.

110. To promote savings particularly among the small and medium income groups, the Unit Trust of India introduced a new 'Voluntary Savings Plan' effective July 1, 1969, which provides for contributions by a saver for investments in units at convenient intervals and in amounts small enough to suit the low income group.

111. Sales promotion in the mofussil continued to receive the attention of the Trust; the number of "approved agents" for canvassing units among the investing public and of approved stock brokers increased during the year to 1,700 and 280 respectively, as against 1,181 and 266 in the previous year. Besides the Trust's offices, all branches of leading banks which contributed to the initial capital of the Trust and more than 15,000 post offices throughout the country continued to act as the Trust's agents for sale of units.

112. Total investments of the Trust as on May 31, 1969 aggregated Rs. 65.07 crores comprising ordinary shares of corporate enterprise of Rs. 23.79 crores (36.6 per cent), preference shares of Rs. 8.78 crores (13.5 per cent), debentures of Rs. 26.38 crores (40.5 per cent) and of Government securities and bonds of financial corporations and electricity boards of Rs. 2.73 crores (4.2 per cent). The balance of Rs. 3.40 crores represented advance deposits for debentures and preference shares which the Trust had agreed to underwritten, application money for purchase of shares, Treasury bills and advance call deposits.

### III. DEVELOPMENT IN COMMERCIAL BANKING

113. Pursuant to the Deputy Prime Minister's statement on social control over commercial banking made in the Lok Sabha in December 1967 a Banking Commission was appointed on January 29, 1969. Under the terms of reference the Commission, *inter alia*, is required to: (i) enquire into the existing structure of the commercial banking system having particular regard to size, dispersion and area of operation and to make recommendations for improving the structure, (ii) make recommendations for extending the geographical and functional coverage of the commercial banking system, (iii) examine the cost and capital structure and review the adequacy of available surplus and reserves, having regard to the developmental needs of the banking system and make recommendations in the light of the findings. The Commission is also required to make recommendations with regard to the building up of a professional cadre of bank personnel, co-ordinated development of commercial and co-operative banks and the role of non-banking financial intermediaries including the indigenous banking agencies in the emerging banking structure.

114. On the whole, the banking system in the country including smaller banks continued to gain in strength and the occasions for them to merge, voluntarily or to be amalgamated compulsorily by the Reserve Bank were fewer during the year than in the past. One bank was amalgamated under Section 45 of the Banking Regulation Act, 1949 and two banks transferred their liabilities and assets to other banks during the year. Three banks went into voluntary liquidation after obtaining certificates under Section 44(1) of the Banking Regulation Act, 1949 while one bank went into Court liquidation. Certificates under Section 44(1) of the Banking Regulation Act, 1949, were issued to five banks to enable them to go into voluntary liquidation. Inspection of 12 banks (in Court liquidation) which have not made satisfactory progress in their liquidation proceedings, were carried out under Section 45Q of the Banking Regulation Act, 1949 and their inspection reports were forwarded to the Central Government and the concerned High Courts for such action as might be considered necessary by them.

115. The primary objective of annual inspections of all banks is to assess their financial position and methods of operation. The defects observed in their working are conveyed to the banks through the inspection reports so that they may take suitable corrective steps in time. Fiftytwo scheduled banks and 12 non-scheduled banks were inspected during the year under review. All the above inspections were carried out under Section 35 of the Banking Regulation Act, 1949. Eleven banks were inspected under Section 45Q for judging whether there are any substantial irregularities in their winding up proceedings. In addition, a scrutiny of the affairs of two banks was carried out for the purpose of the issue of a certificate under Section 49B in case of one bank and 44(1) in the case of the other.

116. During the period under review comments/representations/observations on inspection reports were received from 59 banks including 15 banks carried over from the previous year. After examining these, directions were issued in 28 cases while 3 banks were asked to submit periodical progress reports. Specific instructions were issued in 15 cases. No action was considered necessary in the case of 4 banks. The remaining 9 cases were under consideration.

117. In cases where the findings of the inspection called for stricter control over the affairs of the concerned banks, suitable directions were issued to them. In the case of banks which are already working under directions issued following their earlier inspections, the directions were continued with suitable modifications depending upon the circumstances of each case. With a view to reducing the time lag between the completion of the inspection reports and taking final action thereon, 3 banks were asked to take certain specific steps and to submit monthly/quarterly progress reports while forwarding copies of inspection reports. There were 48 banks working under directions as at the end of June 1968. Directions given to 4 banks were withdrawn during the year in view of the improvement noticed in their working. Withdrawal of directions to 3 more banks is under consideration. Two banks which were working under directions transferred their liabilities and assets to other banks. Further, during the year, directions were issued to one more bank for the first time bringing the total number of banks working under directions as on June 30, 1969 to 43 (27 scheduled and 16 non-scheduled). In 33 cases observers have been deputed to attend the Board/Committee meetings of the banks. Besides the banks working under directions, there are at present 25 other banks which are submitting monthly/quarterly progress reports. Similarly, as at the end of June 1968, there were 44 banks under observation either formal or informal (41 of these banks were also working under directions). During the year observation arrangement was withdrawn in the case of one bank as its methods of operation, as revealed by the last inspection, had shown satisfactory improvement. Three other banks also have shown substantial improvement in their working and it is proposed to withdraw the arrangement for observation in their case. Further, one more bank was brought under observation during the year bringing the total number of banks under observation to 42 as at the end of June 1969.

118. The financial position and methods of operation of these banks are reviewed by the Bank from time to time after their periodical inspections. Most of the banks have generally been responsive to instructions in the matter of rectification of defects. Some structural defects, however, by their very nature do not permit early rectification, for example, inadequate reserve, low earning capacity, concentration of advances and heavy load of stagnant advances including suit-field and decree debts. Certain other defects relating to organisational aspects, like lack of adequate supervision and control by the Head Office over branches, lapses in the inspection and follow-up system, inadequacy of the personnel at the Head Office for processing the loan proposals and guiding the offices in the matter of grant and control of advances take time for rectification, as the bank concerned has to train up its staff in such matters. Inspections of these banks have revealed that banks in general have shown improvement in respect of such structural defects also, but considerable progress has still to be achieved in this regard. In order to ensure that these banks do not slacken their efforts, close surveillance over them is continued. It is expected that in the course of the next few years these banks also would reach a stage, when it would be possible for the Bank to relax the existing control over their methods of operation through directions and "observation of their affairs."

#### *Banking Legislation*

119. The Bank Laws (Amendment) Act, 1968 came into force with effect from February 1, 1969. Mention was made of the main provision of the Amending Act in last year's report. The progress made in implementation of the main provisions of the amended Banking Regulation Act during the year is reviewed in the following paragraphs.

120. Even before the Amending Act had come into force, several of the bigger banks had reconstituted their Boards of Directors and/or appointed whole-time Chairmen. So far, in terms of Section 10A of the Banking Regulation Act, 1949 twenty-four banks having deposits in excess of Rs. 10 crores and 5 banks out of 42 banks having deposits of less than Rs. 10 crores have reconstituted their Boards of Directors. The matter is being pursued with the remaining banks. All the 13

foreign banks functioning in India have also constituted Advisory Boards comprising Indian nationals (except the chief executives of these banks). As it was felt that several of the smaller banking companies would not be in a position to comply with the provisions of Section 3 of the Amending Act within the time stipulated, the Government of India in exercise of the powers conferred by Section 53 of the Banking Regulation Act, 1949, exempted banking companies having deposits of less than Rs. 16 crores, as on the date of the notification (February 1, 1969) from the requirement regarding the reconstitution of the Boards of Directors (Section 10A of the Banking Regulation Act) and banks having deposits of less than Rs. 25 crores, as on the date of the notification, from the requirement relating to the appointment of whole-time Chairmen (Section 10B of the Banking Regulation Act), till February 1, 1970.

121. In terms of Section 10B of the Banking Regulation Act, 1949, all the 15 Indian banks with deposits of over Rs. 25 crores had appointed whole-time Chairmen, prior to February 1, 1969, the date on which the new Section came into force. As mentioned earlier the banks with deposits of less than Rs. 25 crores have been allowed time upto January 31, 1970 to appoint their whole-time Chairmen. Eight banks in this category have since appointed whole-time Chairmen. Proposals for appointment of whole-time Chairmen in respect of 12 other banks have been approved in principle. The remaining banks have been advised to submit their proposals expeditiously.

122. In view of the representations received, the Bank in exercise of the powers conferred by clause (a) of the Explanation under Sub-section (4) of Section 20 (regulating loans by banks to members of the board of directors etc.), of the Banking Regulation Act, 1949, issued a 'General Order' on February 1, 1969 specifying that for the purpose of the aforesaid Section 'loans or advances' shall not include (i) loans or advances against Government securities, life insurance policies or fixed deposits and (ii) loans or advances to the Agricultural Finance Corporation Ltd.

#### *Branch Expansion Programme*

123. During the period July, 1968 to June 1969, the number of offices opened by the Indian commercial banks in the private sector under the second Two-Year Programme which ended on July 31, 1967, rose from 569 to 617 (including 220 at hitherto unbanked centres). The banks concerned could not open the offices earlier due mainly to difficulties in securing suitable accommodation. Under the third programme covering the period August 1967 to December 1970, 1,349 licences were issued to the Indian commercial banks in the private sector, upto the end of June 1969, for opening new offices, including 711 at unbanked centres. Against these licences, the banks have opened 843 offices, including 448 at unbanked centres. Under the current expansion programme, banks are expected to open a relatively large number of offices in rural and the semi-urban centres.

124. The branch licensing policy was reviewed by the Central Board of Directors of the Bank in November, 1968; with a view to intensifying the availability of banking services, the population criterion, was relaxed to one bank office per 5,000 population (as against 10,000 hitherto), in case of centres with population upto 5 lakhs. Subsequently, in pursuance of the National Credit Council's recommendations, the policy was further liberalised in April 1969, in terms of which, with the exception of metropolitan centres (i.e. those with population of a million and over) and port towns, banks are no longer required to seek the Reserve Bank's prior clearance for the opening of an office but have only to intimate to the Bank, the names of the centres proposed to be taken up. This information is circulated periodically to all banks so as to avoid unintended multiplication of bank offices. As regards the opening of branches at unbanked centres and in underdeveloped States, licences are issued on the basis of the applicant bank's actual performance. The liberalised policy as an experiment would continue till the end of 1970, the object being to speed up branch expansion by the Indian commercial banks. As a part of this liberalised programme, a list of 100 towns with a population of 10,000 and over but devoid of commercial banking facilities has been circulated to the Indian commercial banks which have been asked to cover all the towns by the end of 1970. A second list of 197 towns in underdeveloped States with a population of less than 10,000 has been circulated recently among the commercial banks.

125. With a view to identifying centres with banking potential in the semi-urban and rural areas for the purpose of opening commercial bank offices, the Bank has undertaken, in association with some of the Indian commercial banks,

surveys of certain selected districts in different States. The districts which have shown relatively more progress in agriculture [including the 52 districts covered by the Intensive Agricultural Area Programme (IAAP)] and/or have important centres of small-scale industries but are deficient in banking facilities are purposively selected. So far, the surveys of 44 districts in 15 States have been completed and 170 unbanked and 28 underbanked centres have been selected for establishment of commercial bank offices. The surveys of 7 districts in 3 States were in progress as at the end of June, 1969. Licences have been issued for opening branches at 79 centres (66 at unbanked centres); of these, 24 offices (20 at unbanked centres) have been opened. Action to allot the remaining centres is in progress.

126. Under the modified procedure, the mobile banks are free to move anywhere within their area of operation as defined in terms of a radius of specified kilometres from the base office. At present, 12 mobile offices are operated by 3 Indian commercial banks. In order to enable banks to economically serve a cluster of villages, which may have a low business potential, the Bank has commended to the Indian commercial banks the scheme of "Satellite Offices" which envisages the establishment of offices at fixed premises in the surrounding villages, to be operated from a regular branch office at a central village. With a view to encouraging banks to open "Satellite Offices", an incentive is provided to such banks by treating a certain proportion of these offices as offices at unbanked centres.

127. During the period July 1, 1968 to June 30, 1969, the State Bank of India opened two more branches under its second expansion programme, thus bringing the total number of branches to 147 against 165 centres approved for that programme. Under the third expansion programme (covering the period January 1, 1964 to December 31, 1968) in terms of which the State Bank of India was required to open 319 branches at treasury/sub-treasury centres, it had opened 33 branches during the period July 1, 1968 to June 30, 1969. The total number of branches so far opened under this programme stands at 265. Due to the non-availability of premises in many cases, the State Bank of India represented for extension of one year i.e. upto December 31, 1969 for completion of its second and third expansion programme. This has been granted.

128. During July 1, 1968 to June 30, 1969, the subsidiary banks have opened 63 branches (including two 'one-man' offices) under their second five-year expansion programme ending June 1970. Thus, during the above period, the State Bank of India and its subsidiaries opened 98 branches under their expansion programmes. The total number of offices (including those opened outside the expansion programmes) of the State Bank of India and its subsidiaries as at the end of June 1969 stood at 2,462 as against 2,295 at the end of June, 1968.

129. Five more clearing houses were established during the period July 1968 to June 1969 bringing the total number of clearing houses in India to 99 of which 9 are managed by the Reserve Bank of India, 72 by the State Bank of India and 18 by the subsidiaries of the State Bank of India.

#### *Regulation of Business of Non-Banking Institutions Relating to Acceptance at Deposits*

130. Mention was made in the last year's report of the modifications, announced on August 23, 1967, in the directives issued in October 1966 relating to acceptance of deposits by non-banking companies. These modifications had mainly aimed at removing hardships to industrial undertakings, in complying within the specified time limit with the provisions of the directives issued in October 1966, particularly those relating to adjustment of deposits in excess of 25 per cent of their paid-up capital and free reserves. During the year under review the difficulties experienced by the cotton textile mills which were required to adjust their excess deposits by December 31, 1968, but were not in a position to do so were examined and the Bank issued a notification on March 6, 1969, in terms of which cotton mill companies were granted an extension of time until December 31, 1969, for adjustment of the deposits in excess of the prescribed ceiling. These companies will not, however, be able to receive or renew additional deposits, if they have already reached the limit of 25 per cent of paid-up capital and free reserves.

#### *Deposit Insurance Corporation*

131. The Deposit Insurance Corporation (Amendment) Bill, 1967, which seeks to provide for the extension of the scheme of insurance so as to cover deposits in

eligible co-operative banks was passed by Parliament and received the President's assent in December 1968. The Act seeks to extend the scheme of deposit insurance to State and central cooperative banks and larger primary non-agricultural credit societies, that is, urban cooperative banks with paid-up capital and reserves of Rs. 1 lakh and more in those States and Union Territories which amend their cooperative laws so as to provide, inter alia, that any action which may lead to the Corporation's liability being attracted by reconstruction, amalgamation or winding up of a bank, will not be taken without prior consultation with and consent of the Reserve Bank of India. The Act also envisages an increase in the authorised capital of the Corporation from Rs. 1 crore to Rs. 5 crores and in the number of directors from 5 to 8. The Amendment Act will be brought into force, in stages, as and when the State Governments amend their laws relating to co-operative societies on the lines provided for in the Act.

132. The number of insured banks declined to 87 at the end of June 1969 from 90 at the end of June 1968 as a result of transfer of deposit liabilities and equivalent assets of two banks to other insured banks and amalgamation of one bank with another bank under Section 45 of the Banking Regulation Act, 1949. No new bank was registered during the year. Since its inception in 1962 to the end of June 1969, the Corporation had to meet claims aggregating Rs. 56.85 lakhs in respect of 11 de-registered banks. It has received reimbursement of the claims from the banks to the extent of Rs. 35.72 lakhs of which those received during the year amounted to Rs. 0.70 lakh.

133. As a result of the increase in the limit of insurance cover from Rs. 1,500 to Rs. 5,000 in respect of the amount due to any one depositor effective January 1, 1968, the percentage of insured deposits to total assessable deposits increased from 28.2 in September 1967 to 50.4 in September 1968. The percentage of fully protected accounts to the total number of deposit accounts also increased from 76.4 to 90.9 during the same period.

#### IV. DEVELOPMENTS IN CO-OPERATIVE BANKING

134. The Bank continued to make efforts to ensure that the co-operative credit structure in each State is established on the accepted pattern so as to make it financially sound and economically viable. The need for early completion of the work of reorganization was constantly emphasised in the communications and discussions with the State Governments, institutions, etc. and close follow-up action was initiated. The crop loan system had been adopted in all the States but the progress was uneven. The Bank recommended certain modifications in the system in view of the practical difficulties and local conditions, to ensure smooth and adequate flow of credit for agricultural production.

135. In the sphere of banking legislation bearing on the co-operative sector, two laws viz., the Banking Laws (Amendment) Act, 1968 and the Deposit Insurance Corporation (Amendment) Act, 1968, were passed during the year. The Banking Laws (Amendment) Act, 1968, seeks to remove some of the lacunae which were revealed in the working of the Banking Regulation Act, 1949 (as applicable to co-operative societies). In terms of the Section 21 of the Banking Laws (Amendment) Act, 1968 which amended, among others, Section 24(2A), 20 and 35 of the Banking Regulation Act, 1949 (as applicable to co-operative societies), co-operative banks are now required to maintain in addition to cash reserves a minimum of 25 per cent of demand and time liabilities in India as liquid assets. The Reserve Bank has been empowered to allow primary co-operative banks to make unsecured loans or advances not only to any of their directors but also to any other person. The Reserve Bank is also authorised to supply a copy of its report on inspection of a co-operative bank to the State co-operative bank or the Registrar of Co-operative Societies of the State without obtaining the prior consent of the concerned co-operative bank. The amendment to the Deposit Insurance Corporation Act 1968, seeks to extend the benefit of deposit insurance scheme to co-operative banks.

136. The All-India Rural Credit Review Committee, a reference to which was made in last year's report, made certain interim recommendations in February 1969. The recommendations related to (i) the establishment of small farmers' development agency, (ii) the setting up of a Rural Electrification Corporation and (iii) the role of the Agricultural Refinance Corporation.

137. The Working Group on Industrial Financing through Co-operative Banks set up under the Chairmanship of Shri P. N. Damry, Deputy Governor, also submitted in August 1968 the first part of its Report. The recommendations of the Group related to (a) reorganization of the existing industrial co-operative societies with a view to making them viable units; (b) application of the criteria for reorganization of the existing societies to ensure their success before registration; (c) the organization of co-operative banks in a way that will enable them to play an effective role in developing and financing industrial societies; (d) strengthening of the capital structure of industrial societies and financing the block and working capital requirements of such societies; and (e) the role which the Reserve Bank should play with reference to above recommendations. The recommendations of the Group were generally approved by the Reserve Bank's Standing Advisory Committee on Rural and Co-operative Credit and by the Bank and action to implement the accepted recommendations has been initiated. However, the recommendation to amend section 46(A) of the Reserve Bank of India Act to enable the Bank (i) to contribute to rural debentures of processing societies and (ii) to give loans to State Governments for subscribing to the share capital of industrial co-operative societies was not accepted.

138. The recommendations of the Fertilizer Credit Committee were, as mentioned in the last year's report examined and action in regard to implementation was taken during the year. Thus, the terms and conditions for the loans sanctioned to State Governments out of the Bank's Long-term Operations Fund for share capital contribution to primary agricultural credit societies were liberalized. In pursuance of another recommendation, the Bank made selective relaxations and sanctioned higher credit limits for seasonal agricultural operations and marketing of crops in respect of central co-operative banks in special programme areas such as the High-Yielding Varieties Programme. The Committee's recommendations for doing away with the existing ceiling of Rs. 5 crores for each State for the credit limits to State co-operative banks for financing the distribution of chemical fertilizers and for recognizing the second signature of apex marketing societies for refinance facilities to co-operative banks under Section 17(2)(a) and 17(4)(c) of the Reserve Bank of India Act have been accepted. However, the recommendation of the Committee for relaxing the condition of non-overdue cover (for the short-term credit limits sanctioned by the Bank) in special programme areas was not accepted as it was felt that co-operative banks should not have free access to credit irrespective of their record of recoveries. The Bank agreed to the recommendation of the Committee to continue the existing liberal scheme of credit facilities to commercial banks for fertilizer distribution and also the operation of the Bill Market Scheme to facilitate easy access to commercial banks in respect of bills arising from fertilizer trade.

139. Pursuant to the recommendations of the Fertilizer Credit Committee of the Fertilizer Association of India, the Fertilizer Credit Guarantee Corporation with an authorised capital of Rs. 10 crores is being set up. Of this authorised capital, Rs. 1.5 crores is being issued. The contributions to the share capital from different institutions would be: 60 per cent by Reserve Bank of India, 10 per cent by Government of India, 5 per cent by State Bank of India and 25 per cent by the major commercial and State co-operative banks. The Corporation will guarantee loans granted by commercial and co-operative banks for the stocking and distribution of fertilizer and other agricultural inputs to approved agencies. Guarantee cover by the Corporation will be upto a maximum of 65 per cent of the amount in default. The Corporation will also operate a refinance scheme as a supplementary source of finance for the commercial and co-operative banks over and above what is available from the Reserve Bank of India.

#### *Co-operative Credit: Policy, Procedures and Operations*

140. There was no change in the basic policy followed by the Bank in regard to the provision of short-term financial accommodation to the State co-operative banks for financing seasonal agricultural operations and marketing of crops during the year. The Bank continued the policy introduced in 1967-68 regarding sanction of special credit limits for financing the marketing of cotton and kapas under Section 17(2)(b) or 4(c)/17(4)(c) of the Reserve Bank of India Act.

141. The total credit limits sanctioned by the Bank to State co-operative banks for financing seasonal agricultural operations and marketing of crops at the concessional rate of 2 per cent below the Bank rate increased from Rs. 314.15 crores in 1967-68 to Rs. 377.52 crores during 1968-69. Drawals aggregated Rs. 411.15 crores as against Rs. 364.89 crores in 1967-68 while repayments were Rs. 365.23 crores as against Rs. 362.52 crores in 1967-68. The outstanding as on

June 30, 1969 stood at Rs. 183.09 crores as compared with Rs. 137.17 crores as on June 30, 1968. The total special short-term credit limits sanctioned to two State co-operative banks for financing the marketing of cotton and *kapas* during 1968-69 were Rs. 8.35 crores as against Rs. 10.25 crores during 1967-68; the drawals were Rs. 7.20 crores, repayments Rs. 7.50 crores and the outstandings as on June 30, 1969 were Rs. 0.90 crore. The corresponding figures for 1967-68 were Rs. 10.54 crores, Rs. 9.34 crores and Rs. 1.20 crores, respectively. In addition to accommodation for financing seasonal agricultural operations and marketing of crops, the Bank provided short-term finance amounting to Rs. 23.05 crores as against Rs. 14.55 crores in 1967-68 at the Bank rate to State co-operative banks for general banking purposes.

142. The Bank sanctioned short-term credit limits for financing the stocking and distribution of chemical fertilizers at the Bank rate against Government guarantee under Section 17(4)(c) of the Reserve Bank of India Act. During the calendar year 1968, the limits sanctioned, drawals and outstandings at the end of the year were Rs. 27.50 crores, Rs. 39.77 crores and Rs. 15.42 crores, respectively; the corresponding figures for 1969 upto the end of June (compared with end-June 1968) were Rs. 30.00 crores (Rs. 22.00 crores), Rs. 16.72 crores (Rs. 16.34 crores) and Rs. 14.71 crores (Rs. 5.42 crores), respectively.

143. In the sphere of medium-term agricultural credit the Bank continued to emphasize the importance of rationalization of the medium-term loan policies followed by the central co-operative banks so that their medium-term advances are used only for genuine productive purposes and not as 'ways and means' advances. However, the central co-operative banks had not made significant progress in this direction. Fresh guidelines were, therefore, circulated to the Registrars by the Bank in August 1968 to impress upon them the need for urgent action for bringing about the necessary reforms in the medium-term loan policies followed by the banks. The Bank also took into account, while fixing the medium-term credit limits for 1968-69, the extent of rationalization effected in their loan policies by the banks.

144. During the year under report the medium-term loans sanctioned by the Reserve Bank at a concessional rate of  $1\frac{1}{2}$  per cent below the Bank rate amounted to Rs. 19.00 crores as against Rs. 16.37 crores sanctioned last year. Drawals were Rs. 9.02 crores as against Rs. 9.12 crores during the previous year, the outstandings as on June 30, 1969 were Rs. 17.60 crores as against Rs. 16.47 crores as on June 30, 1968, inclusive of those under medium-term limits sanctioned at Bank rate.

145. The credit facility under Section 17(2)(bb) which was extended from the financial year 1968-69 for financing the production and marketing activities of silk and woollen handloom weavers' societies was further extended to the power-looms in the co-operative sector in July 1968. These advances also will carry interest at  $1\frac{1}{2}$  per cent below the Bank rate. Another decision taken in pursuance of the recommendations of the Working Group on Industrial Financing through Co-operative Banks related to the approval of 22 broad groups of cottage and small-scale industries, in addition to the weaving industry, for accommodation under Section 17(2)(bb) of the Reserve Bank of India Act at Bank rate for financing their production and marketing activities. The concessions allowed to weavers' societies in regard to the basis for fixing their normal credit limits and maintenance of margins in the context of the change-over from per loom basis to production basis were continued during the financial year 1968-69. During the financial year ended March 31, 1969 nine State co-operative banks were sanctioned credit limits aggregating Rs. 7.37 crores as against Rs. 7.59 crores last year under Section 17(2)(bb) or (4)(c) of the Reserve Bank of India Act at  $1\frac{1}{2}$  per cent below the Bank rate. The drawals amounted to Rs. 8.12 crores as against Rs. 8.54 crores during the previous year and outstandings at the end of the year stood at State co-operative bank was sanctioned a credit limit of Rs. 0.44 crore under Rs. 5.63 crores as against Rs. 5.44 crores at the end of the previous year. One State co-operative bank was sanctioned a credit limit of Rs. 0.44 crore under Section 17(4)(a) of the Reserve Bank of India Act at a concessional rate of  $1\frac{1}{2}$  per cent below the Bank rate for financing handloom weavers' co-operatives during the fiscal year. The outstandings against the limit at the end of the financial year were Rs. 0.33 crore. The Bank also sanctioned during the year, credit limits aggregating Rs. 1.02 crores as against Rs. 1.05 crores in 1967-68 at Bank rate under Section 17(2)(a) or (4)(c) of the Reserve Bank of India Act for financing commercial and trade transactions of apex handloom weavers' societies. Drawals aggregated Rs. 0.73 crore and the outstandings at the end of the financial year were Rs. 0.32 crore.

146. The provision of subsidy towards interest and guarantee against losses to central co-operative banks in respect of the Reserve Bank's scheme of handloom finance for giving working capital loans to weavers' societies for production and marketing activities was continued by the Government of India upto March 31, 1969.

147. In view of the continued scarcity conditions in certain parts of the country, the Bank sanctioned medium-term credit limits to the extent of Rs. 6.32 crores to five State co-operative banks out of the National Agricultural Credit (Stabilisation) Fund for conversion of short-term loans into medium-term loans under Section 17(4AA) read with Section 46B(2) of the Reserve Bank of India Act. The drawals aggregated Rs. 2.48 crores, the outstandings as on June 30, 1969 were Rs. 5.18 crores as against Rs. 6.14 crores as on June 30, 1968. One State co-operative bank was sanctioned a credit limit of Rs. 0.42 crore against the Government and trustee securities representing its investments of the Agricultural Credit Stabilisation Fund under Section 17(4)(a) of the Reserve Bank of India Act to enable it to convert short-term loans into medium-term loans.

148. The pattern of assistance to State Governments to build up stabilisation funds of State co-operative banks to which a reference was made in last year's report was reconsidered by the Planning Commission and the Ministry of Finance. It was decided to adopt a uniform pattern of 75 per cent grant and 25 per cent loan for all States. During the financial year 1968-69, the Government of India made a provision of Rs. 5.00 crores as against Rs. 3.50 crores in 1967-68 for central assistance to the State Governments for the purpose.

149. Mention was made in the last year's report about the Central Government's instructions to all State Governments for building up Agricultural Credit (Relief and Guarantee) Funds upto a level of 1 per cent of the outstanding at primary level by the end of 1970-71 for writing off such loans as could not be repaid due to repeated natural calamities. Accordingly, all State Governments have created this Fund and the total amount at the credit of these Funds as on March 31, 1968 stood at Rs. 1.36 crores as against Rs. 1.26 crores as on March 31, 1967.

150. During the year under report, the Bank, in consultation with the Government of India, relaxed the condition regarding matching contribution upto a limit of Rs. 10,000 to a primary agricultural credit society which was viable or potentially viable and was eligible for share capital contribution from the State Government out of loans obtained from the Bank's National Agricultural Credit (Long-term Operations) Fund. The ceiling for total Government contribution out of loans obtained from the Bank was, however, retained at Rs. 10,000 for each society as a general rule.

151. Loans amounting to Rs. 4.06 crores (excluding a renewal of Rs. 7 lakhs) were sanctioned to 12 State Governments during the financial year 1968-69 out of the National Agricultural Credit (Long-term Operations) Fund under Section 17(4AA) read with 46A(2)(a) of the Reserve Bank of India Act for contributing to the share capital of one State co-operative bank, 59 centre co-operative banks, 1,571 primary agricultural credit societies and 5 central land development banks. The total drawals by the State Governments during the financial year 1968-69 amounted to Rs. 3.92 crores as against Rs. 7.28 crores during 1967-68 and their repayments in respect of the previous loans were Rs. 4.29 crores as against Rs. 3.88 crores in 1967-68. The total amount outstanding against the State Governments on this account was Rs. 31.19 crores as on March 31, 1969 as against Rs. 31.70 crores as on March 31, 1968.

152. A meeting of the representatives of the Central Land Development Banks, the Life Insurance Corporation of India, State Bank of India and Government of India was convened in March 1969 to discuss the debenture programme of the land development banks for the year 1969-70. A programme of Rs. 113.00 crores for debenture floatations by the banks was approved for 1969-70, as compared with the programme of Rs. 86.00 crores for 1968-69. The support from public sector institutions as well as of the Government of India has been placed at Rs. 37.00 crores. In view of the striking increase in the operations of the land development banks and the high level of the supported programme envisaged for 1969-70, stress has been laid on the purposes for which the loans would be disbursed and on their financial and operational soundness while determining the debenture programme of each land development bank. It was stipulated that to be eligible for support from various sources the banks should have advanced not less than 90 per cent of the loans for productive purposes of which at least

70 per cent should have been for easily identifiable productive purposes such as construction of new wells, installation of diesel and electric pumpsets, purchase of tractors, etc. Further, the support for the debentures had been allotted on the basis of the recovery performance of the banks. Thus, those banks whose overdues to demand worked out to 10 per cent or less at the apex bank level and 15 per cent or less at the primary level alone would qualify for full support from the various agencies. The banks which failed to reduce their overdues to the stipulated levels would be entitled to 75 per cent of the allotted support provided they were able to reduce their overdues as on June 30, 1969, to at least 50 per cent of what they were as at the end of 1967-68. The banks which failed to reduce their overdues even to these levels would be eligible for only 50 per cent of the allotted support mainly through sources such as the mutual sinking fund investments by the Land Development Banks, the Central and State Governments and the Reserve Bank of India.

153. The land development banks, floated during the financial year 1968-69 ordinary debentures of Rs. 96.87 crores as against the supported programme of Rs. 86.00 crores. The debentures floated during 1967-68 were of the order of Rs. 71.18 crores. It was possible for the banks to float debentures in excess of the programme during 1968-69 because of the liberal support provided by the commercial banks and some of the State Governments. The commercial banks' support to the debentures floated by the land development banks during 1968-69 amounted to Rs. 22.86 crores as against Rs. 18.13 crores in 1967-68. During the period ended June 30, 1969 the central land development banks also floated rural debentures aggregating Rs. 5.00 crores to which the Reserve Bank subscribed Rs. 0.87 crore as against Rs. 0.88 crore during 1967-68. The bank's holdings of ordinary and rural debentures were Rs. 28.52 crores and Rs. 8.97 crores as on June 30, 1969 as against Rs. 24.38 crores and Rs. 7.94 crores, respectively, as on June 30, 1968.

154. With the increase in the volume of business of the land development banks which was facilitated by liberal measure of support from institutional investors, the question of proper utilization and management of the available resources assumed importance. The Bank, therefore, circulated among the land development banks certain guidelines for the proper management of resources by them and for the adoption of operational procedures which would render the new policy of production-oriented credit purposeful.

155. As on June 30, 1969, there were 1,348 co-operative banks — 28 State, 386 central and 954 primary—coming under the purview of the Banking Regulation Act, as against 1,422 banks at the beginning of the year. The decline in the number was mainly due to the deletion of the names of certain non-agricultural credit societies from the list of primary co-operative banks. Further, during the year under report, 2 State co-operative banks were included in the Second Schedule to the Reserve Bank of India Act, 1934 bringing the number of scheduled State co-operative banks to 14.

156. The Government of India has been approached to amend rule 10 of the Banking Regulation (Co-operative Societies) Rules, 1966 with a view to exempting smaller type of co-operative banks with limited resources and area of operation from the publication of their annual accounts etc., in newspapers. The draft rules for amending the Banking Regulation (Co-operative Societies) Rules, 1966 for this purpose have been published in the Gazette dated March 15, 1969 for the information of all persons. The proposed amendments to rule 10 of the Banking Regulation (Co-operative Societies) Rules, 1966 would not, when they are notified in the official Gazette on or after September 1, 1969, require the co-operative banks, whose total deposit liabilities are less than ten lakhs of rupees as at the end of the period to which their accounts, balance sheet relate to publish their accounts, balance sheet, etc., in newspapers.

157. The number of offices of co-operative banks which stood at 3,805 as on June 30, 1968 increased to 4,013 on March 31, 1969. During the period July 1, 1968 to June 30, 1969, 33 licences were granted to State and Primary co-operative banks for opening new offices as against 17 licences issued during 1967-68. Two licences were also issued to a central co-operative bank and an industrial co-operative bank for opening an office each outside the district in which they were registered. In addition, 6 licences were issued to central co-operative banks for changing the location of their existing places of business. During the year 1968-69, a licence to commence banking business was issued to a newly registered primary co-operative bank, raising the total number of licensed primary co-operative banks to 8 as on June 30, 1969. Under the first branch

expansion programme for the period August 1967 to July 1969, 450 new offices have been opened by the co-operative banks upto the end of March 1969.

158. Nine central co-operative banks have been granted exemption by the Government of India from complying with the provisions of Section 11 of the Banking Regulation Act regarding minimum paid-up capital and reserves; eight banks for a period of 1 year from March 1, 1969 and one bank for a period of 3 years from February 6, 1968. The application of another central co-operative bank had been recommended for exemption to the Government of India.

159. In pursuance of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies), 51 applications for issue of licences were received during the year of which two were from State co-operative banks, 42 from central co-operative banks and 7 from district industrial co-operative banks. Of these, one bank which has been registered after the coming into force of the Banking Regulation Act, 1949, had been issued the requisite licence enabling it to commence and carry on banking business. With this, the total number of State and central co-operative banks licensed comes to 6.

160. On November 25, 1968, the Bank reduced the margin levels on advance against indigenous cotton and *kapas* made to co-operative cotton mills by co-operative banks. Further on December 11, 1968 the Bank removed the control on advances against indigenous cotton and *kapas* to co-operative cotton mills. However, co-operative banks were required to maintain a margin of 25 per cent on pledge advances and 40 per cent on hypothecation advances to parties other than co-operative cotton mills, the conditions regarding the percentage of aggregate credit limits in terms of total liabilities remaining unchanged.

161. Fourteen State co-operative banks, 299 central co-operative banks and 326 primary co-operative banks were inspected under Section 35 of the Banking Regulation Act, 1949, during the period under review. Out of 326 primary co-operative banks, 88 were inspected by the officers of State co-operative banks on behalf of the Reserve Bank under Section 35(1) of the Banking Regulation Act, 1949. During the year, 10 central land development banks, 4 apex handloom weavers' co-operative societies and 2 apex co-operative marketing societies were inspected on a voluntary basis. Copies of inspection reports of 11 State co-operative banks, 252 central co-operative banks including 3 district industrial co-operative banks and 294 primary co-operative banks were furnished to the banks concerned. Inspection reports relating to 12 State land development banks, 4 State handloom weavers' societies and 2 apex marketing societies were also furnished to the concerned institutions during the year under report.

#### *Co-operative Development*

162. The Bank's Standing Advisory Committee on Rural and Co-operative Credit met twice during the period under report. The thirty-eighth meeting of the Committee held on September 11, 1968, was specially convened to consider the Report of the Working Group on Industrial Financing through Co-operative Banks. In its thirty-ninth meeting held on May 26, 1969 the Committee considered use of Agricultural Credit Stabilisation Funds for grant of relief to cultivators affected by crop failure in the matter of repayment of medium-term loans instalments, security for medium-term loans for agricultural purposes, loans for contribution to the share capital of primary land development banks, credit limits to district industrial co-operative banks from the Reserve Bank and medium-term loans for purchase of shares in co-operative sugar factories.

163. The State Agricultural Credit Corporations Act, 1968 was passed during the year to establish Agricultural Credit Corporations in Assam, Bihar, West Bengal, Orissa, Rajasthan and Union Territories of Manipur and Tripura. Each Corporation would have an authorized capital between Rs. 1 crore and Rs. 5 crores depending on the requirements of each State/Union Territory, the share capital being contributed by the Central Government and the concerned State Government, the Reserve Bank of India, the Food Corporation of India, the State Bank of India and its subsidiaries and other commercial banks. Action for setting up the corporations had been initiated by Government of India and concerned State Governments in consultation with the Bank.

#### *Agricultural Refinance Corporation*

164. The Corporation completed the sixth year of its working on June 30, 1969. The results of operations during the year showed a small surplus for the first

time since the Corporation came into existence, after providing for the payment of income tax as well as the statutory minimum dividend of 44 per cent to the shareholders. This development was brought about by a marked rise in the business of the Corporation during 1968-69, in terms of the financial assistance availed of from it.

165. During the year 1968-69 the Corporation sanctioned refinance in respect of 108 schemes of agricultural development such as minor irrigation (71), land development (7), development of plantation and horticulture (28), development of poultry farming (2), dairy development (1) and construction of godowns (1). The total financial outlay involved on these schemes was Rs. 79.21 crores. Of this the Corporation's commitment was Rs. 69.32 crores. The total number of schemes sanctioned by the Corporation during its six years of working ended June 30, 1969 was 233, the total outlay and the Corporation's commitment under them being Rs. 182.03 crores and Rs. 156.48 crores, respectively. The outlay to be made during any particular year would form only a small proportion of the sanctioned outlay, as the implementation of schemes sanctioned is phased over a period of years. The disbursements made by the Corporation during the year amounted to Rs. 17.84 crores as compared to Rs. 5.67 crores during 1967-68, raising the total disbursements as at the end of June 30, 1969 to Rs. 30.49 crores.

166. The Corporation, during the year drew from the Government of India further loans amounting to Rs. 17.75 crores, raising the total borrowings from the Government of India to Rs. 25.75 crores as on June 30, 1969.

167. The Corporation has made some further relaxations during the year in its policy and procedure for advancing refinance facilities to the scheduled commercial banks. The Corporation decided to provide refinance facilities to the State co-operative banks and the scheduled commercial banks for construction of modern storage godowns or silos. Refinance facilities were also extended to scheduled commercial banks in respect of loans provided by them to the cultivators for keeping deposits with the State Electricity Boards for energising their wells. A scheduled commercial bank advancing medium or long-term loans to cultivators for the purchase of farm equipment was made eligible for refinance from the Corporation, provided adequate arrangements for supervision over the utilisation of loans were made. It was also decided that the condition regarding the formulation of agricultural development schemes in compact areas might not be rigidly insisted upon in the case of the scheduled commercial banks' advances for the purchase of pumpsets, tractors and other equipments. The Corporation also decided during the year to allow the scheduled commercial banks to route loans, refinanced by the Corporation through an intermediate agency such as a co-operative sugar factory in order to facilitate better supervision, provision of technical guidance and recovery of loans. The loan policy and procedure governing the sanction of refinance to the scheduled commercial banks, insofar as they related to the security aspect, were further simplified during the year to facilitate easier access to the refinance provided by the Corporation to these banks.

#### **Agricultural Finance Corporation**

168. An institutional development in the banking sector was the establishment of the Agricultural Finance Corporation promoted by the Indian Banks' Association with a view to financing top priority agricultural projects and to help commercial banks participate actively and extensively in the development of agriculture. The Corporation has an authorised capital of Rs. 100 crores, the issued and subscribed capital and the paid-up capital being Rs. 10 crores and Rs. 5 crores, respectively. It would be managed by a Board of Directors consisting of fifteen members representing bankers and a Government nominee. The loans sanctioned by the Corporation upto December 1968 since the inception amounted to Rs. 3.6 crores for energisation of 12,000 irrigation wells.

#### **V. DEVELOPMENT IN EXCHANGE CONTROL**

169. While carrying out its functions as the agency entrusted with the administration of exchange control, the Reserve Bank took, within the basic framework of the regulations, a number of measures to impart a greater degree of flexibility to the administrative procedures, particularly with a view to assisting the export promotion effort and eliminating avoidable delays. In order that exporters may obtain forward cover from the authorised dealers, the Reserve Bank has been buying forward sterling from the authorised dealers at a fixed rate of exchange and this facility has been of considerable help to exporters in eliminating the exchange risks. Improved arrangements have been made for the processing of export documents with a view to exercising stricter control over realisation of

export proceeds of individual firms and for recording the overall export performance of individual exporters.

170. In order to assist the export promotion effort, the scheme of Blanket Permits, under which export houses could obtain foreign exchange for export promotion travel without having to apply for a permit for each visit, was considerably liberalised during the year under review. It was also decided to allow the blanket permits to be used for advertising, market studies, import of samples and participation in fairs and exhibitions abroad in addition to the travel expenses of the business representatives. To cover these additional expenses the amounts of the permits were enhanced by 50 per cent.

171. Exchange Control cells were set up at the Bank's offices at Bangalore, Hyderabad, Jalpur, Nagpur and Patna to deal with travel applications in their respective regions.

172. In order to mitigate the effects of the U.K. Import Deposit Scheme, exporters of goods covered by the Scheme were granted a general extension up to 8 months for realisation of 50 per cent of export proceeds. Authorised dealers were permitted to buy forward sterling from such exporters and to sell such forward sterling to the Reserve Bank for deliveries up to eight months.

173. In regard to exports or imports on deferred payment basis, permission was given to authorised dealers to provide forward exchange cover on a rollover basis, i.e., to book forward contracts for the aggregate amount of the payments to be made or received and to extend the outstanding balance of the contract at six monthly intervals.

174. Certain relaxations were made in the rules regarding investments in India by non-residents of Indian origin. Prior to the change, non-residents were not permitted to make investments in public or private companies engaged in trade or business as distinct from industry. In November 1968 it was decided to permit non-residents of Indian origin to make such investments irrespective of whether the companies concerned were engaged in industry, trade or business. In December 1968, as an experimental measure for 3 years, it was decided to permit investment by such persons in partnership and proprietary firms, as well as in joint stock companies, subject to the condition that neither the capital nor the profits earned would be allowed to be repatriated. Funds held in National Defence Remittance Scheme Special Accounts are also allowed to be used for such investment.

175. The powers of authorised dealers were enlarged during the year in regard to remittances for sundry purposes, such as, payment of subscriptions or membership fees to overseas institutions, remittance of legal expenses in connection with dishonoured export bills, admission fees to foreign universities, cancellation of forward exchange contracts, withdrawals from ordinary and blocked non-resident rupee accounts as well as National Defence Remittance Scheme Special Accounts, etc. Of these, special mention may be made of the relaxation relating to operations on non-resident, blocked and N.D.R.S. Special Accounts, under which withdrawals from such accounts of persons of Indian nationality or origin are now allowed freely by authorised dealers for local payments, where the balance in the account is Rs. 50,000 or less.

176. Airlines/steamer companies and travel agents were given wider powers to book passages for people going abroad to take up employment and their dependants. Further, non-residents of Indian nationality or origin are now permitted to pay in rupees fares for the journey of themselves and their dependants by Indian carriers, out of funds held by them in a non-resident or blocked rupee account in India. Provision has also been made on an experimental basis, for grant of passage clearance on the invitation of relatives (in effect widening the categories of relatives considered as "acceptable" hosts) or friends abroad, provided the amount of the passage fare both ways is also remitted to India by the host through banking channels.

177. The following table gives data relating to release of foreign exchange and grant of 'P' form clearance for travel abroad for various purposes during the year ended June 1969.

**I. Foreign Exchange Permits**

| Purpose of travel       | Number of permits | Amount of exchange sanctioned (Rs. lakhs) |
|-------------------------|-------------------|---|
| Business                | 8,210             | 502.00                                    |
| Higher studies/training | 5,488             | 577.12                                    |
| Medical treatment       | 520               | 50.80                                     |
| Study tours             | 428               | 17.72                                     |
| Attending conferences   | 833               | 18.69                                     |
| Miscellaneous           | 7,262             | 119.08                                    |
| <b>TOTAL</b>            | <b>22,741</b>     | <b>1285.41</b>                            |

**II. 'P' forms**

| Purpose of travel           | Number of 'P' forms approved |
|-----------------------------|------------------------------|
| Joining head of family      | 12,361                       |
| Visits to relatives/friends | 18,136                       |
| Export promotion            | 298                          |
| Employment                  | 5,532                        |
| Emigration                  | 3,924                        |
| Studies/training            | 4,751                        |
| Miscellaneous               | 14,155                       |
| <b>TOTAL</b>                | <b>59,157</b>                |

**VI. SEMINARS AND SURVEYS ORGANISED BY THE RESERVE BANK**

178. In December 1968, the Bank sponsored a three-day seminar on the Financing of Agriculture by Commercial Banks. The purpose of the seminar was to have an exchange of views among the interests concerned in the matter of agricultural finance in view of the need for commercial banks to increase their involvement in the financing of agriculture. The seminar discussions were divided under three broad headings, viz., general aspects of financing agriculture by commercial banks, organisation and other aspects and direct and indirect financing of agriculture by commercial banks.

179. The papers presented as well as the proceedings of the seminar have been published in book form by the Reserve Bank of India.

180. During the year, at the suggestion of the Governor of the Reserve Bank in his capacity as Vice-Chairman of the National Credit Council, the Council set up 5 Study Groups to go into the following issues: (a) the problem of deposit mobilisation by commercial as well as co-operative banks, (b) the extent to which credit needs of industry and trade were likely to be inflated and how such trends could be checked, (c) the building up of an appropriate organisational system for implementation of objectives of social control, (d) the need for adopting an area/project approach in implementing schemes for extending credit to agriculture as also the possibility of extending this approach to commercially viable projects in the rural electrification and minor irrigation fields, and (e) the problem of bank finance for road transport operators. The Reports of the Study Group on Deposit Mobilisation and that on Credit Facilities for Road Transport Operators were submitted to the third meeting of the Council held at New Delhi in March 1969.

181. The Agricultural Credit Department of the Bank organised during the year two seminars. The first one in which Chief Executive Officers of State Co-operative Banks participated was held in September 1968 and the second one for the Chief Executive Officers of Central Land Development Banks was held in February 1969. These seminars provided an opportunity for the officials of the financing institutions concerned to have an exchange of views with a view to bringing about improvements at the operational level.

182. The Agricultural Refinance Corporation jointly with the Reserve Bank also organised a seminars at Bombay, New Delhi, Calcutta, Madras and Ahmedabad with a view to discussing with the senior officers of commercial banks the methods for formulating schemes of agricultural development to be refinanced by the Agricultural Refinance Corporation.

183. The Bank also sponsored along with the University of Bombay the Eighth Economic Conference which was held in Bombay in January 1969.

184. During the year the Bank set up a Working Group, as already mentioned in paragraph 105, to suggest further simplification or modification of the Credit Guarantee Scheme operated by the Industrial Finance Department of the Bank with a view to expediting the issue of guarantees under the scheme for small-scale industries.

185. The Departments of Economics and Statistics undertook a number of Surveys and Field Investigations in addition to their regular Surveys. With a view to providing some guidelines to commercial banks for opening branches in rural areas, the Division of Rural Economics in co-operation with the Department of Banking Operations and Development conducted district surveys to identify places with inadequate banking facilities and to assess the banking potential in such places. During the year, such surveys were carried out in 33 districts. The Division of Rural Economics also completed two surveys, one on credit needs of manuring coconut palms in Kerala and another on the problems of accumulation of raw cotton stocks with co-operative marketing societies in two districts of Gujarat State. The Division of Rural Economics and the Division of Rural Surveys jointly conducted a number of cost benefit studies on irrigation projects on behalf of the Agricultural Refinance Corporation. They also conducted field studies on the problems of small farmers in four districts, viz., Mehsana, Sangli, South Kanara and Thanjavur. The Division of Rural Surveys continued its regular surveys on Co-operative Bank Advances and Deposits. The Report on its Fifth Follow-up Survey on Development of Co-operative Marketing was published during the year.

186. With a view to improving the banks' statistical reporting so that data on matters like sectoral allocation of credit could be available promptly, the Governor set up a Working Group in January 1968 consisting of three officers from the Reserve Bank and three representatives from the commercial banks to go into the question of the form in which such data on credit allocation should be reported. The Working Group which reported in July 1968 suggested that the commercial banks should adopt a system of Uniform Balance Books for recording bank advances data according to purpose, security and the interest rate. The Division of Banking has introduced the Uniform Balance Book reporting with effect from December 1968 and it is expected that this return will eventually replace the purposewise survey of bank advances, the fortnightly survey of advances, and half-yearly survey of interest rates on advances.

187. With a view to obtaining a purposewise classification of receipts in amounts below Rs. 10,000 or its equivalent, for which purpose details are not required to be reported to the Exchange Control Department by the authorised dealers, the Division of International Finance has been conducting ad hoc surveys from time to time. The latest survey covering four quarters (viz. October-December 1966; April-June 1967, January-March 1968, and July-September 1968), for assessing the seasonal pattern: if any was initiated in September 1966. The results relating to the first two quarterly periods were finalised last year, while those pertaining to the last two rounds were finalised this year.

188. The results of the Survey of Foreign Collaboration in Indian Industry initiated by the Bank in March 1965 for the purpose of providing data regarding the major features and ingredients of foreign collaboration agreements were published as a Report in the current year. The Survey which was in the nature of a census of all public and private limited companies that had foreign capital participation or technical collaboration agreements on March 31, 1964 was undertaken by the Division of Trade. It related to effective agreements as distinct from approvals in respect of which alone data were hitherto available. The Survey Report covered 827 companies in the private sector with a total of 1051 effective agreements and 24 government companies with 70 effective agreements. The Report which brought together information on the pattern of agreements and remittances connected with foreign collaboration was published in December 1968.

189. The Department of Statistics initiated in March 1968 a Quarterly Survey of Company Finances with a view to assessing the short-term variations in sources and uses of funds of large scale companies. Three articles based on the data received from non-government non-financial medium and large companies were published in August 1968, November 1968 and May 1969 issues of the Bank's Bulletin. The data in respect of the quarters ended March 31 and June 30, 1968 were being processed. With a view to gaining a quicker insight into current-trends in industrial situation and likely developments in the near future, the Department initiated in August 1968 a Survey of Current Industrial Situation. A study based on the replies to the questionnaires issued for this survey was published in the April 1969 issue of the Bank's Bulletin. It has been decided to conduct a similar survey for assessing the latest industrial situation and a revised questionnaire has been sent to selected public limited companies. A new Section is also being organised in the Department of Statistics with the objective of developing suitable econometric models, sectoral as well as aggregative, which would facilitate the study of economic processes and assist in the formulation of policies.

190. The Department of Non-Banking Companies continued its Annual Survey of Deposits with Non-Banking Companies. The results of the survey based on the returns submitted by the non banking companies as on March 31, 1967 were published in the form of an article in the June 1969 issue of the Reserve Bank of India Bulletin.

## VII. EDUCATION AND TRAINING

191. As stated in the last year's report, in December 1967 the Governor, Reserve Bank of India, appointed a Working Group on training facilities for higher banking personnel. Its main terms of reference were (a) to suggest lines on which training programmes should be organised for the development of the banking profession in the country with particular reference to the social and economic objectives of banking, aligning credit operations of commercial banks to national credit policies and priorities, and expansion of the banking services, (b) to examine existing training programmes and their adequacy and to recommend appropriate measures for their improvement and extension and (c) to suggest ways of co-ordinating the activities of the existing training institutions. The Group examined training facilities currently available for the banking personnel and came to the conclusion that the gaps were too wide for existing institutions to fill. It, therefore, suggested that a National Institute of Bank Management should be established which should function as a central agency to initiate and co-ordinate measures for the development of the banking profession in the country at the highest level. The Institute should seek to translate national policies relating to the banking sector into meaningful training programmes and help the implementation of those policies by creating a climate of intellectual appreciation and emotional dedication. The functions of the Institute should be as follows:—

- (a) Formulating broad strategy of education, training and research programmes for effective implementation of national banking policies.
- (b) Conducting educational and training activities for the high level banking personnel not catered to by the existing institutions and undertaking industry-wide research activities and providing consultancy services.
- (c) Dissemination of information on bank management know-how
- (d) Reviewing the impact of training and research activity in the banking sector from time to time and recommending ways of filling the gaps by such further programmes as may be necessary.

192. The recommendations of the Working Group have been accepted by the Government of India, the Reserve Bank of India and the banking industry. In order to assist the Reserve Bank in implementing them, the Governor appointed in July 1968 an Executive Committee consisting of representatives of commercial banks and of those associated with training of executives. Steps are being taken for the recruitment of faculty and administrative staff. The Institute is being registered as a society under the Societies Registration Act, 1860.

193. The Institute has already commenced its activities. For purposes of pooling the existing experience and identifying unresolved problems, it has set up

Steering Groups, consisting of both academic personnel and those having operating experience, for organising workshops on topics such as (a) Deposit Mobilisation, (b) Financing of small-scale industries, (c) Financing agriculture, (d) Customer Service, and (e) Management Development Policies. A Study Group has been appointed to review the training programmes conducted in the Bankers' Training College, Bombay, and the training institutions of commercial banks in order to ensure that they effectively meet the current and foreseeable future needs of training of middle and senior level personnel.

194. The Institute has entered into collaboration arrangements with the Indian Institute of Management, Ahmedabad, with a view to preparing teaching material for its training programmes as well as organising a three-tier executive training programme in the year 1970 specifically for bank executives.

195. With a view to equipping the staff to cope up with the various responsibilities devolving on them, the Bank has introduced several schemes of training. A Staff Training College was set up in Madras in 1963 for training of officers and supervisory staff. The College conducts a general course on central banking for junior supervisory staff. The syllabus covers some basic courses in economics, money, central banking law and practice of banking, activities of the various departments of the Bank and associate institutions, principles of management and personnel relations. The College also conducts an inspection course for the officers and supervisory staff of the Department of Banking Operations and Development and the Agricultural Credit Department who conduct inspections of commercial and co-operative banks, respectively. The syllabus for the inspection course includes a study of the law and practice of banking and training in inspection technique and procedure. An induction course is conducted for newly appointed junior supervisory staff and officers. Recently, a course in foreign exchange has been instituted for the officers of the Department of Banking Operations and Development. Arrangements are in hand for starting courses for the officer staff in central banking policies and techniques, management principles, etc. For the clerical staff, Zonal Training Centres have been set up at Bombay, Calcutta, Madras and New Delhi where courses are conducted for junior clerks i.e. new entrants as well as those who have put in a few years' service, and senior clerks, i.e. those who have put in 5/7 years' service. These courses seek to acquaint the clerical staff with the practices and procedures followed in the different departments of the Bank.

196. The total number of officers, supervisory staff and clerical staff who have so far received training in the various establishments is about 7,000.

197. The Bank has standing arrangements with the Administrative Staff College of India, Hyderabad, for deputing officers to the management development courses conducted by them. Officers are also sent to the banking and other courses conducted in the Bankers' Training College for the managerial staff of commercial banks and also to the short-term courses on management development organised by the All-India Management and State Level Associations, Productivity Councils, Management Institutes and similar other bodies. Officers are also sent to the Central banking courses conducted jointly by some of the Central Banks (called the SEANZA Course) and by the Bank of England, and other courses of interest to the Bank organised by some foreign institutes. The Bank has also been sending officers for training in Banking institutions in U.S.A., U.K., Australia, West Germany, etc.

198. Active steps have been taken by the Bank to equip itself for the increasing volume of work in Hindi. A special Hindi Section with well-qualified staff has been set up in the Central Office. Hindi translators and typists have been appointed at most of the offices of the Bank and letters and communications received in Hindi are being replied to in the same language.

199. Hindi versions of the major reports which are of interest to the public, such as the Annual Report, Report on Trend and Progress of Banking in India, are being published. Abridged versions of other reports are being published in Hindi. Some of the Departmental Manuals, Rules and Regulations are also being translated into Hindi.

200. Apart from the Hindi Classes run for the benefit of the staff, those who are not able to participate in them, are allowed to take up the correspondence courses conducted by the Central Hindi Directorate of the Government of India and the fees for such courses are reimbursed to the staff in Class III.

### VIII. ACCOUNTS AND OTHER MATTERS

201. During the accounting year ended June 30, 1969, the Bank's income after making statutory and other provisions, amounted to Rs. 99.35 crores as against Rs. 92.92 crores in the previous year. The expenditure which included establishment expenses, turnover commission to the State Bank of India and its subsidiaries for transacting Government business and provision for sundry liabilities amounted to Rs. 29.35 crores as against Rs. 27.92 crores in the previous year. The net profit available for payment to Central Government was Rs. 70 crores as against Rs. 65 crores paid during 1967-68.

202. The gold held in the Issue Department of the Bank was revalued at the current official I.M.F. rate of 0.118489 grammes of fine gold per rupee in terms of Section 33(4) of the Reserve Bank of India Act, 1934 as amended by Section 26 of the Banking Laws (Amendment) Act, 1968 with effect from February 1, 1969. The profit on the revaluation of this asset was transferred to the Reserve Fund.

203. The contributions to the National Agricultural Credit (Long-term Operations) Fund, the National Agricultural Credit (Stabilisation) Fund and National Industrial Credit (Long-term Operations) Fund were Rs. 12 crores, Rs. 2 crores and Rs. 20 crores, respectively, as against Rs. 12 crores, Rs. 8 crores and Rs. 25 crores, respectively, during 1967-68.

204. The rise of Rs. 6.43 crores in the income during 1968-69 was mainly due to the increased interest realised on rupee securities, increased earnings on foreign currency holdings and reduced appropriations to the funds mentioned in the preceding paragraph. This was partly offset by a reduction in the discount earned on rupee Treasury bills and an ad-hoc contribution of Rs. 5 crores to the Integration and Development Fund of the State Bank of India. The rise of Rs. 1.43 crores in the expenditure was mainly on account of increase in the establishment charges owing to the payment of salaries at the revised scale to the award staff for the full year 1968-69 as against only two months during the year 1967-68 and payment of Adjustments Allowance to Class I and Class II staff, partly offset by a reduction in the liability on account of agency charges as no payment on account of arrears was necessary during the year.

#### *Auditors*

205. The accounts of the Bank have been audited by Messrs. S. B. Billimoria & Co., of Bombay, Messrs. Brahmayya & Co. of Madras and Messrs. Ray & Ray of Calcutta who were appointed by the Government of India as auditors of the Reserve Bank of India for the year 1968-69 by the notification No. F. 3(67)-BC/68 dated November 25, 1968, issued in exercise of powers conferred by Section 50 of the Reserve Bank of India Act.

#### *The Central Board*

206. On reconstitution of Local Boards on January 15, 1969, Sarvashri S. L. Kirloskar, Bhaskar Mitter, J. Ramdave Row and V. N. Puri were nominated as Directors of the Central Board of the Bank under Section 8(1)(b) of the Reserve Bank of India Act, 1934 to represent the Western, Eastern, Southern, and Northern Area Local Boards, respectively. Shri D. C. Kothari was also nominated as Director of the Central Board of the Bank under Section 12(4) read with Section 8(1)(c) of the Reserve Bank of India Act, 1934, vice Shri Ramdave Row who on his being nominated as a Director under Section 8(1)(b) to represent the Southern Area Local Board, retired under Section 8(1)(c) of the Reserve Bank of India Act, 1934.

207. Sarvashri R. G. Saraiya, B. N. Mookerjee and V. S. Tyagaraja Mudaliar and Raja Bajrang Bahadur Singh retired as Directors of the Central Board of the Bank on expiry of their terms of appointment on January 14, 1969. The Board wishes to place on record its high appreciation of the valuable services rendered by the retiring Directors, all through their association with the Bank.

208. Seven meetings of the Central Board were held during the year, two in Bombay and one each in Calcutta, New Delhi, Madras, Hyderabad and Bangalore. The Committee of the Central Board held fifty-two meetings of which four were held in New Delhi, one each in Calcutta, Madras and Patna and the rest in Bombay.

209. Shri D. N. Maluste, Executive Director, retired from the Bank's service with effect from June 22, 1969. Shri K. C. Mittra has been appointed as Executive Director in place of Shri Maluste.

#### **Local Boards**

210. On expiry of the term of office of the members of all the four Local Boards on January 14, 1969, the Central Government under the provisions of Section 9(1) of the Reserve Bank of India Act, 1934, constituted new Local Boards for the Western, Eastern, Northern and Southern areas as from January 15, 1969. While reconstituting the Local Boards the Government of India have nominated the following new members:—

*Western Area*—(1) Shri S. L. Kirloskar and (2) Shri D. G. Patel (with effect from February 6, 1969).

*Eastern Area*—(1) Shri Bhaskar Mitter, (2) Shri Abhijit Sen, (3) Shri Hari Shanker Singhania, and (4) Shri G. K. Bhagat.

*Northern Area*—(1) Shri V. N. Puri, (2) Shri J. D. Sethi, and (3) Shri G. R. Mattoo.

*Southern Area*—(1) Shri J. Ramdaye Row, (2) Shri John K. John, and (3) Shri A. Sivasailam.

#### *Opening and Closing of Offices and Changes in the Organisation and Management:*

211. A full-fledged office of the Issue Department was opened at Patna from February 3, 1969 for serving the needs of Bihar State. The Note Cancellation Section functioning at that Centre was merged with this office. Deposit Accounts and Public Accounts Departments were opened at the centre on September 2, 1968 and April 1, 1969, respectively. A Deposit Accounts Department was also opened at Hyderabad on May 1, 1969.

212. A Services Board of the Reserve Bank of India was set up on July 15, 1968.

#### **Bank's Premises**

##### **A. Office Premises**

213. The Annexes to the proposed office buildings at Hyderabad and Bangalore have been completed, while the Annexe at Madras is nearing completion. The construction of the Annexe building at Nagpur is in progress. Although the work of the Annexe at Gauhati was taken up, due to the archaeological finds during excavation, the work was suspended and steps are being taken by the State Government to allot an alternative plot to the Bank. The proposed office buildings and annexes at Jaipur and Bhubaneswar are in the planning stage.

##### **B. Residential Quarters**

214. The Bank is doing its best to provide residential quarters, which are heavily subsidized, for the various categories of staff at all important centres. The Bank has so far provided 149 quarters for Officers, 366 for Supervisory staff, 1376 for Clerical staff and 432 for Subordinate staff at Bombay, Calcutta, New Delhi, Madras, Nagpur, Patna and Kanpur, covering approximately 15 per cent of the total staff at these centres.

215. The Bank is also constructing 12 flats for its Officers at Madras, 240 for Clerical staff at Bombay and 312 for Subordinate staff at Bombay and Madras. Further construction of staff quarters is under the planning stage which will provide for 124 flats at Bombay and 56 flats at Bangalore for Officers and Supervisory staff; 272 flats at New Delhi, 456 flats at Calcutta, 24 flats at Madras, 104 flats at Nagpur and 224 flats at Kanpur for the Clerical and Subordinate staff.

216. Efforts are being made to secure suitable land for construction of staff quarters at some other centres.

217. In view of the difficulty in securing accommodation, arrangements have been made to take flats on lease at the various centres for allotment to Officer staff who are transferable.

**Miscellaneous**

218. The construction of the Co-operative Training College and Hostel at Poona and the additional floor over the hostel block of the Staff Training College at Madras has been completed during the year.

**Employer-Employee Relations**

219. In the last Annual Report a reference was made to the Award of the Arbitrator, Shri T. L. Venkatarama Aiyar, retired Judge of the Supreme Court of India, in respect of certain service conditions of workmen employees in Class II and III in the Bank, which came into force from 5th April 1968. The benefits derived by employees in the above classes have been indicated in a summary form in the last Annual Report. The directions in the Award were actually implemented during the current year and this has resulted in almost all the employees covered by the Award benefiting considerably. The amount paid on account of arrears of salary (for the period 1st January 1966 to 30th April 1968) alone amounted to Rs. 1,35,97,948.32. As indicated in the last Report Class III employees of the Bank who form 68 per cent of the total staff have been awarded uniform scales of pay at all centres; as a result, the staff employed at the offices at Trivandrum, Jaipur, Patna, Nagpur, Bhubaneswar, Indore, Gauhati, Chandigarh and Srinagar, which were formerly "non-higher pay centres", have been brought on par with the staff at the "higher pay centres" and have benefited considerably. It may be pertinent to note that the maximum amount of arrears paid to an employee amounted to Rs. 6,703.80 for 28 months and in some cases the increase in the monthly emoluments amounted to over Rs. 200/-.

220. As a result of implementing the Award, the total monthly emoluments drawn at present by a Clerk at the time of entry into the Bank's service are Rs. 325/- for a matriculate and Rs. 341/- for a graduate and after 22 years of service, the emoluments will be Rs. 990/- for a matriculate and Rs. 1,006/- for a graduate including Bank's contribution to Provident Fund. Apart from the basic cadres, the higher grades of Class III employees are now entitled to maximum monthly emoluments which in a number of cases, such as Assistants, exceed Rs. 1,250/- including Bank's contribution to Provident Fund.

221. Free ordinary medical facilities at the Bank's dispensaries, which were so far available only to the employees themselves, have been extended to their families also. The Bank has always been liberal in the matter of providing hospitalisation facilities for the Bank's staff in all categories. The cumulative increase in the Bank's expenditure on this account has, with this further liberalisation in the medical facilities, gone up by about 50 per cent from Rs. 15,56,000 in 1967-68 to Rs. 23,69,900 in 1968-69.

222. The benefits, conferred by the Aiyar Award have been extended in an equal measure to all the staff in Class IV in matters of service conditions which were common to them. Some of the benefits have also been extended to the Supervisory and Officer staff.

223. The Central Government extended the Award of the Arbitrator by one year from the date of its expiry on the 5th April, 1969.

224. On 15th August 1968 the Bank published its first issue of the house journal "Without Reserve" to serve as a channel of communication between the different units of staff and management, emphasising community of interests. The Journal is being published quarterly and is distributed free.

225. The work relating to the survey of employer-employee relations in banking industry is in progress and the survey report is expected to be completed by the end of 1969.

**Employees' Housing Loans Scheme**

226. The Bank's Housing Loans Scheme which was introduced in 1961 has continued to gain popularity among all classes of employees and during the year under report 'Society Loans' amounting to Rs. 68,34,400.00 have been sanctioned

to 16 Co-operative Housing Societies on behalf of 311 employee-members. Besides this, loans amounting to Rs. 13,17,040.00 have been sanctioned to 73 employees individually. The total quantum of 'Society' and 'Individual' loans sanctioned by the Bank since the introduction of the Scheme upto 30th June 1969 amounts to Rs. 1,45,99,600.00 and Rs. 36,60,953.00, respectively. These loans were availed of by 34 Societies representing 718 employee-members, and 204 individual employees.

## RESERVE BANK OF INDIA

Balance Sheet as at June 30, 1969

## ISSUE DEPARTMENT

|  | LIABILITIES       |    |     |    | ASSETS  |                  |                   |                   |
|--|-------------------|----|-----|----|---|------------------|-------------------|-------------------|
|  | Rs.               | P. | Rs. | P. | Rs.   | P.               | Rs.               | P.                |
| Notes held in the Banking Department . . . . . | 33,31,58,677.00   |    |     |    | Gold Coin and Bullion:—   |                  |                   |                   |
| Notes in circulation . . . . .                 | 3691,98,87,736.50 |    |     |    | (a) Held in India . . . . .                                     | 182,53,10,862.72 |                   |                   |
| Total Notes issued . . . . .                   | 3725,30,46,413.50 |    |     |    | (b) Held outside India . . . . .                                |                  |                   |                   |
| TOTAL LIABILITIES . . . . .                    | 3725,30,46,413.50 |    |     |    | Foreign Securities . . . . .                                    | 200,88,69,731.50 |                   |                   |
|  |                   |    |     |    | TOTAL . . . . .   |                  | 383,41,80,594.22  |                   |
|  |                   |    |     |    | Rupee Coin . . . . .  |                  | 64,11,50,834.34   |                   |
|  |                   |    |     |    | Government of India Rupee Securities . . . . .                  |                  |                   | 3277,77,14,984.94 |
|  |                   |    |     |    | Internal Bills of Exchange and other Commercial Paper . . . . . |                  |                   |                   |
|  |                   |    |     |    | TOTAL ASSETS . . . . .  |                  | 3725,30,46,413.50 |                   |

## BANKING DEPARTMENT

|  | LIABILITIES      | ASSETS  |                  |
|--|------------------|---|------------------|
|  | Rs. P.           | Rs. P.  |                  |
| Capital Paid-up . . . . .  | 5,00,00,000.00   | Notes . . . . .   | 33,31,58,677.00  |
| Reserve Fund . . . . .   | 150,00,00,000.00 | Rupee Coin . . . . .  | 2,11,448.00      |
| National Agricultural Credit (Long-Term Operations) Fund . . . . . | 155,00,00,000.00 | Small Coin . . . . .  | 2,86,105.94      |
| National Agricultural Credit (Stabilisation) Fund . . . . .        | 35,00,00,000.00  | Bills Purchased and Discounted:—  | ..               |
| National Industrial Credit (Long-Term Operations) Fund . . . . .   | 75,00,00,000.00  | (a) Internal . . . . .  | ..               |
| Deposits:—   |                  | (b) External . . . . .  | ..               |
| (a) Government . . . . .   |                  | (c) Government Treasury Bills . . . . .   | 130,24,45,509.57 |
| (i) Central Government . . . . .                                   | 59,66,57,731.45  | Balances held Abroad* . . . . .   | 147,46,93,010.56 |
| (ii) State Governments . . . . .                                   | 12,68,00,586.30  | Investments** . . . . .   | 226,06,06,187.28 |
| (b) Banks . . . . .  |                  | Loans and Advances to:—   | ..               |
| (i) Scheduled Commercial Banks . . . . .                           | 191,68,69,746.58 | (i) Central Government . . . . .  | ..               |
| (ii) Scheduled State Co-operative Banks . . . . .                  | 16,33,08,028.76  | (ii) State Governments@ . . . . .   | 24,05,00,000.00  |
| (iii) Non-Scheduled State Co-operative Banks . . . . .             | 70,17,569.93     | Loans and Advances to:—   | ..               |
| (iv) Other Banks . . . . .   | 38,50,892.71     | (i) Scheduled Commercial Banks† . . . . .   | 181,24,00,000.00 |
| (c) Others . . . . .   | 305,08,50,023.60 | (ii) State Co-operative Banks† . . . . .  | 203,82,87,481.00 |
| Bills Payable . . . . .  | 35,17,44,511.06  | (iii) Others . . . . .  | 2,03,44,640.00   |
| Other Liabilities . . . . .  | 41,48,41,298.74  | Loans, Advances and Investments from National Agricultural Credit (Long-Term Operations) Fund . . . . . | ..               |
|  |                  | (a) Loans and Advances to:—   | ..               |
|  |                  | (i) State Governments . . . . .   | 31,46,97,124.29  |
|  |                  | (ii) State Co-operative Banks . . . . .   | 17,59,94,968.00  |
|  |                  | (iii) Central Land Mortgage Banks . . . . .   | ..               |
|  |                  | (b) Investment in Central Land Mortgage Bank Debentures . . . . .                                       | 8,96,93,135.00   |
|  |                  | Loans and Advances from National Agricultural Credit (Stabilisation) Fund . . . . .                     | ..               |
|  |                  | Loans and Advances to State Co-operative Banks . . . . .  | 5,17,69,761.00   |
|  |                  | Loans, Advances and Investments from National Industrial Credit (Long-Term Operations) Fund . . . . .   | ..               |
|  |                  | (a) Loans and Advances to the Development Bank . . . . .  | 6,26,71,044.00   |

|                             |  |                        |                   |
|-----------------------------|--|------------------------|-------------------|
|                             | (b) Investment in bonds/debentures issued by the<br>development Bank . . . . . | 65,42,71,297.49        |                   |
| Other Assets . . . . .      |  |                        |                   |
| TOTAL LIABILITIES . . . . . | 1083,19,40,389.13  | TOTAL ASSETS . . . . . | 1083,19,40,389.13 |

Contingent liability on partly paid shares Rs. 8,99,992.80 (Sterling Investments of £50,000 converted @ Rs 100-£5.5556).

\*Includes Cash, Fixed Deposits and Short-term Securities.

\*\*(i) Excluding Investments from the National Agricultural Credit (Long-Term Operations) Fund and the National Industrial Credit (Long-Term Operations) Fund.

(ii) Includes £50,000 and U.S. \$4,907,500 held abroad.

@Excluding Loans and Advances from the National Agricultural Credit (Long-Term Operations) Fund.

†Includes Rs. 109,55,00,000 advanced to scheduled commercial banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡Excluding Loans and Advances from the National Agricultural Credit (Long-Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

R. C. SACHDEVA,  
*Chief Accountant.*  
Dated, the 23rd July, 1969.

J. K. JHA,  
B. N. ADAKKAR,  
A. BAKSI,  
J. J. ANJARIA,  
P. N. DAMRY,

Governor.  
Deputy Governor.  
Deputy Governor.  
Deputy Governor.  
Deputy Governor.

## Profit and Loss Accounts

FOR THE YEAR ENDED

| June, 30, 1969 | June 30, 1968 | June 30, 1967 |
|----------------|---------------|---------------|
|----------------|---------------|---------------|

|   | Rs.             | P. | Rs.             | P. | Rs.             | P. |
|---|-----------------|----|-----------------|----|-----------------|----|
| <b>INCOME</b>   |                 |    |                 |    |                 |    |
| Interest, Discount, Exchange, Commission, etc.† . . . . .     | 99,34,87,614.22 |    | 92,92,11,671.89 |    | 85,12,17,798.63 |    |
| <b>EXPENDITURE</b>  |                 |    |                 |    |                 |    |
| Establishment . . . . .                                       | 14,25,13,347.22 |    | 11,74,52,581.32 |    | 10,24,00,952.84 |    |
| Directors' and Local Board Members' Fees & Expenses . . . . . | 78,028.50       |    | 66,839.23       |    | 67,605.07       |    |
| Auditors' Fees . . . . .                                      | 37,500.00       |    | 30,000.00       |    | 30,000.00       |    |
| Rent, Taxes, Insurance, Lighting, etc. . . . .                | 83,79,705.27    |    | 64,70,307.75    |    | 58,19,576.85    |    |
| Law Charges . . . . .   | 2,78,549.33     |    | 1,63,239.37     |    | 14,708.45       |    |
| Postage and Telegraph Charges . . . . .                       | 9,86,913.50     |    | 9,61,938.76     |    | 850,377.65      |    |
| Remittance of Treasure . . . . .                              | 47,16,620.50    |    | 42,17,526.30    |    | 44,26,080.96    |    |
| Stationery, etc. . . . .                                      | 20,07,889.69    |    | 15,97,976.97    |    | 16,15,830.06    |    |
| Security Printing (Cheque, Note Forms, etc.) . . . . .        | 5,08,96,124.95  |    | 5,00,13,904.09  |    | 4,65,24,897.71  |    |
| Depreciation and Repairs to Bank Property . . . . .           | 86,27,823.13    |    | 69,08,487.84    |    | 68,61,357.31    |    |
| Agency Charges . . . . .                                      | 6,66,21,923.58  |    | 8,65,30,376.36  |    | 7,83,59,733.25  |    |
| Contribution to Staff and Superannuation Funds . . . . .      | 7,32,000.00     |    | 7,32,000.00     |    | 7,32,000.00     |    |
| Miscellaneous Expenses . . . . .                              | 76,10,919.81    |    | 40,66,145.79    |    | 35,13,774.50    |    |
| Net available balance . . . . .                               | 70,00,00,218.65 |    | 65,00,00,348.11 |    | 60,00,00,903.98 |    |
| <b>TOTAL</b> . . . . .  | 99,34,87,614.22 |    | 92,92,11,671.89 |    | 85,12,17,798.63 |    |
| Surplus payable to the Central Government . . . . .           | 70,00,00,218.65 |    | 65,00,00,348.11 |    | 60,00,00,903.98 |    |

*Reserve Fund Account*

|  |                         |
|--|-------------------------|
| By Balance on 30th June, 1969 . . . . .            | 150,00,00,000.00        |
| By transfer from Profit and Loss Account . . . . . | Nil                     |
| <b>TOTAL</b> . . . . .                             | <b>150,00,00,000.00</b> |

†After making usual or necessary provisions in terms of Section 47 of the Reserve Bank of India Act.

R. C. SACHDEVA,  
Chief Accountant.

L. K. JHA, Governor.  
B. N. ADARKAR, Deputy Governor.  
A. BAKSI, Deputy Governor.  
J. J. ANJRIA, Deputy Governor.  
P. N. DAMRY, Deputy Governor.

*Report of the Auditors*

TO THE PRESIDENT OF INDIA,

We, the undersigned Auditors of the Reserve Bank of India, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at 30th June, 1969.

We have examined the above Balance Sheet with the Accounts, Certificates and Vouchers relating thereto of the Central Office and of the Offices at Calcutta, Bombay and Madras and with the Returns submitted and certified by the Managers of the other Offices and Branches, which Returns are incorporated in the above Balance Sheet, and report that where we have called for explanations and information from the Central Board such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing the particulars prescribed by and in which the assets have been valued in accordance with the Reserve Bank of India Act, 1934 and the Regulations framed thereunder and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

Dated, the 23rd July 1969.

S. B. BILLIMORIA & CO.,  
BRAHMAYYA & CO.,  
RAY & RAY

} Auditors -

[No. F. 3(44)IBC/69]

D. N. GHOSH, Deputy Secy.

(Department of Revenue and Insurance)

STAMPS

New Delhi, the 20th September, 1969.

S.O. 3780.—In exercise of the powers conferred by clause (a) of sub-section (1) of section 9 of the Indian Stamp Act, 1899 (2 of 1899), the Central Government hereby remits [in addition to the remission of duty made in the order of the Government of India in the Ministry of Finance (Department of Revenue and Insurance) No. 21/68-Stamps/F.No. 1/50/68-Cus.VII which was published in Part II-Section 3-Sub-section (ii) in the Gazette of India dated the 23rd November, 1968, at page 5339] the duty with which the bonds to the value of one lakh, sixty-four thousand and four hundred rupees issued in excess by the Maharashtra State Financial Corporation are chargeable under the said Act.

[No. 9/69-F.No. 1/21/69-Cus.VII/Stamps.]

P. K. KAPOOR, Under Secy.

(राजस्व और बीमा विभाग)

स्टाम्प

नई दिल्ली, 20 सितम्बर, 1969

एस ० नं० ३७८१—भारतीय स्टाम्पस प्रधिनियम, 1899 (1899 का 2) की धारा 9 की उपधारा (1) के खंड (क) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार, भारत सरकार के वित्त मंत्रालय (राजस्व और बीमा विभाग) के आदेश सं० 21/68-स्टाम्प/एफ० सं० 1/50/68-सीमाशुल्क 7 में, जो भारत के राजपत्र तारीख 23 नवम्बर, 1968, भाग 2, खंड 3, उपखंड (2) में पृष्ठ 5339 पर प्रकाशित हुआ था वही गई शुल्क की छूट एतद्वारा देती है जिससे एक लाख चौसठ हजार चार सौ रुपयों के मूल्य के बे बन्धपत्र जो महाराष्ट्र राज्य वित्तीय निगम द्वारा आधिकार्य में पुरोधृत किए गए थे, उक्त प्रधिनियम के अधीन प्रभार्य हैं।

[सं० 9/69-एफ सं० 1/27/69-सीमा शुल्क 7/स्टाम्प]

पी० के० कपूर,  
अवर सचिव ।

ERRATUM

In the Ministry of Finance (Department of Revenue and Insurance) Notification No. 2/69-Stamps/F. No. 1/6/69-Cus.VII, dated the 9th August, 1969 published in the Gazette of India, Part II-section 3-sub-section (ii), dated the 9th August, 1969, the S.O. No. should be read "3198-A", instead of "3199".

MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS

(Department of Petroleum)

New Delhi, the 3rd September 1969

S.O. 3782.—Whereas it appears to the Central Government that it is necessary in the public interest that for the transport of Petroleum from the drill sites Well No. 119 to GGS VII in the Kalol Oil Field, in Gujarat State, Pipelines should

be laid by the Oil & Natural Gas Commission and that for the purpose of laying such pipelines, it is necessary to acquire the Right of User in the land described in the schedule annexed thereto.

2. Now, therefore, in exercise of the powers conferred by sub-section (1) of the Section 3 of the Petroleum Pipelines (Acquisition of Right of User in land) Act, 1962 (50 of 1962), the Central Government hereby declares its intention to acquire the right of user therein.

3. Any person interested in the said land may, within 21 days from the date of this notification object to the laying of the pipelines under the land to the Competent Authority, at Western Region, Shed No. 27, Makarpura Road, Near Central Workshop, Baroda-4, in the Office of the Gujarat Pipelines (Oil & Natural Gas Commission), Baroda. Every person making such an objection shall also state specifically whether he wishes to be heard in person or by a legal practitioner.

#### SCHEDULE

*For laying line from Well No. KJD 119 to G. G. S. VII*

| State—Gujarat              | Dist—Ahmedabad                                    | Taluka—Dascro: |             |         |
|----------------------------|---|----------------|-------------|---------|
| Village                    | Survey No.  | Hectare        | Are         | P. Ate. |
| TARAPUR . . . . .          | 8   | 0              | 6           | 15      |
|                            | 9   | 0              | 1           | 95      |
| V.P. Cart track . . . . .  | 0   | 0              | 65          |         |
|                            | 12  | 0              | 11          | 44      |
|                            | 14  | 0              | 10          | 40      |
|                            | 16  | 0              | 11          | 70      |
| V. P. Cart track . . . . . | 0   | 2              | 21          |         |
|                            | 97  | 0              | 5           | 98      |
|                            | 98  | 0              | 6           | 63      |
|                            | 96  | 0              | 2           | 47      |
|                            | 99  | 0              | 19          | 05      |
| V. P. Cart track . . . . . | 0   | 0              | 55          |         |
|                            | 100   | 0              | 13          | 21      |
| V.P. Cart track . . . . .  | 0   | 1              | 95          |         |
|                            | 164   | 0              | 0           | 50      |
|                            | 100   | 0              | 14          | 95      |
|                            | 158   | 0              | 6           | 76      |
|                            | 157   | 0              | 4           | 55      |
|                            | 155   | 0              | 10          | 79      |
| V.P. Cart track . . . . .  | 0   | 0              | 78          |         |
|                            | 154   | 0              | 21          | 82      |
|                            | 195   | 0              | 6           | 12      |
|                            | 199   | 0              | 6           | 17      |
|                            | 197   | 0              | 6           | 35      |
|                            | 207   | 0              | 19          | 86      |
|                            | 206   | 0              | 12          | 68      |
|                            | 208   | 0              | 17          | 36      |
| V. P. Cart track . . . . . | 0   | 1              | 21          |         |
|                            | 577   | 0              | 5           | 85      |
| ADALAJ . . . . .           | Road between village<br>Adalaj & Uvarsad. . . . . | 0 . . . . .    | 3 . . . . . | 90      |
|                            | 577 . . . . .                                     | 0 . . . . .    | 6 . . . . . | 59      |
|                            | 576 . . . . .                                     | 0 . . . . .    | 8 . . . . . | 95      |

[No. 20/3/67-IOC/Lab. & Legis.]

New Delhi, the 11th September 1969

S.O. 3783.—Whereas it appears to the Central Government that it is necessary in the public interest that for the transport of Petroleum from the drill sites well No. 21 to well No. 20 in the Ankleswar Oil Field, in Gujarat State, Pipelines should be laid by the Oil and Natural Gas Commission and that for the purpose of laying such Pipelines, it is necessary to acquire the Right of User in the land described in the schedule annexed thereto.

2. Now, therefore, in exercise of the powers conferred by Sub-Section (i) of the Section 3 of the Petroleum Pipelines (Acquisition of Right of User in land) Act, 1962 (50 of 1962), the Central Government hereby declares its intention to acquire the right of user therein.

3. Any person interested in the said land may, within 21 days from the date of this notification object to the laying of the pipelines under the land to the Competent Authority, at Western Region, Shed No. 27, Makarpura Road, Near Central Workshop, Baroda-4, in the Office of the Gujarat Pipelines (Oil & Natural Gas Commission), Baroda. Every person making such an objection shall also state specifically whether he wishes to be heard in person or by a legal practitioner.

#### SCHEDULE

State—Gujarat

Dist—Broach

Pal—Ankleswar.

*For laying pipeline from well No. 21 to well 20.*

| Village | Survey No. | Hectare | Arc. | P.Are. |
|---------|------------|---------|------|--------|
| HAJAT   | 15         | 0       | 16   | 90     |
|         | 16         | 0       | 1    | 82     |
|         | 13         | 0       | 15   | 60     |
|         | 35         | 0       | 16   | 77     |

[No. 31/67/68-Prod/IOC/Lab.&amp;Legis.]

#### ERRATA

New Delhi, the 5th September 1969

**S.O. 3784.**—In the Notification of the Government of India in the Ministry of Petroleum & Chemicals, No. 29(7)/68-IOC-LAB, dated 23-12-1968, published under S.O. No. 40 in the Government Gazette of India Part II, Section 3, Sub-Section(ii) dated 4-1-1969.

1. At page No. 35 and at village Pansoli

| For S. No. | 'Read' |      |        | 'For' |      |        |
|------------|--------|------|--------|-------|------|--------|
|            | H.     | Arc. | P. Are | H.    | Arc. | P. Are |
| 292        | 0      | 4    | 56     | 0     | 3    | 00     |
| 299        | 0      | 15   | 50     | 0     | 12   | 50     |

2. Omit S. No. 294

II. At Page No. 35 &amp; at village Nawagam.

| For S.No. | 'Read'            |      |             | 'For' |             |        |
|-----------|-------------------|------|-------------|-------|-------------|--------|
|           | H.                | Arc. | P. Are      | H.    | Arc.        | P. Are |
| (i)       | 616/1             | 0    | 1           | 0     | 5           | 0      |
|           | 616/2/1           | 0    | 0           | 0     | 0           | 5      |
|           | 616/2/2           | 0    | 0           | 0     | 0           | 0      |
|           | 617/1             | 0    | 5           | 0     | 0           | 1      |
|           | 617/2             | 0    | 0           | 0     | 0           | 0      |
|           | 617/3             | 0    | 0           | 0     | 0           | 0      |
| (ii)      | Omit S. No. 714/1 | 0    | S.No. 302/1 | &     | S.No. 304/1 |        |
|           | 741/2             | 0    | S.No. 302/2 |       | S.No. 304/2 |        |
|           | 741/3             | 0    |             |       |             |        |

[No. 29/7/68-IOC/Lab. &amp; Legis.]

M. V. S. PRASADA RAU, Under Secy.

(Department of Mines and Metals

ERRATUM

New Delhi, the 10th September 1969

**S.O. 3785.**—In the Notification of the Government of India in the Ministry of Petroleum and Chemicals and Mines and Metals (Department of Mines and Metals) No. S.O. 3378, dated the 13th August, 1969, published at pages 3609 to 3611 in Part II, Section 3, sub-section (ii) of the Gazette of India dated the 23rd August, 1969, at page 3611,—

- (i) in line 2, for "Area" read "Ara";
- (ii) in line 21, for "Area" read "Ara".

[No. C2-20(18)/64.]

M. S. K. RAMASWAMI, Dy. Secy.

MINISTRY OF INFORMATION AND BROADCASTING

New Delhi the 2nd September 1969

**S.O. 3786.**—In exercise of the powers conferred by Section 5(1) of the Cinematograph Act, 1952 and sub-rule (3) of rule 8 read with sub-rule 2 of rule 9 of the Cinematograph (Censorship) Rules, 1958, the Central Government hereby appoints Shri Lalit Kumar Mulraj Khatau as a member of the Advisory Panel Central Board of Film Censors at Bombay with immediate effect upto 31st December, 1969.

[No. 11/12/69-F(C).]

**S.O. 3787.**—In exercise of the powers conferred by Section 5(1) of the Cinematograph Act, 1952 and sub-rule (3) of rule 8 read with sub-rule 2 of rule 9 of the Cinematograph (Censorship) Rules, 1958, the Central Government hereby appoints Shri Pakala Surianarayana Rao after consultation with the Central Board of Film Censors as a member of the Advisory Panel of the said Board at Madras with immediate effect upto 31st December, 1969.

[No. 11/3/68-F(C).]

New Delhi, the 10th September 1969

**S.O. 3788.**—In exercise of the powers conferred by Section 5(1) of the Cinematograph Act, 1952 and sub-rule (3) of rule 8 read with sub-rule 2 of rule 9 of the Cinematograph (Censorship) Rules, 1958, the Central Government hereby appoints Dr. B. P. Adhikari after consultation with the Central Board of Film Censors as a member of the Advisory Panel of the said Board at Calcutta with immediate effect upto 31st December, 1969

[No. 11/1/68-F(C).]

ORDER

New Delhi, the 11th September 1969

**S.O. 3789.**—In pursuance of the directions issued under the provisions of each of the enactments specified in the First Schedule annexed hereto, the Central Government after considering the recommendations of the Films Advisory Board, Bombay hereby approves the film/specified in column 2 of the Second Schedule annexed hereto in Gujarati to be of the description specified against it in column 6 of the said Second Schedule.

THE FIRST SCHEDULE

- (1) Sub-Section (4) of the Section 12 and Section 16 of the Cinematograph Act, 1952 (Central Act XXXVII of 1952).
- (2) Sub-Section (3) of Section 5 and Section 9 of the Bombay Cinemas (Regulation) Act, 1953 (Bombay Act XVII of 1953).
- (3) Sub-Section (4) of Section 5 and Section 9 of the Saurashtra Cinemas (Regulation) Act, 1953 (Saurashtra Act XVII of 1953).

## THE SECOND SCHEDULE

| S.<br>No. | Title of the film | Length<br>35 mm | Name of the<br>applicant   | Name of the<br>Producer                                    | Whether a Scientific film or a<br>film intended for educational<br>purposes or a film dealing with<br>news and current events or a<br>documentary film |
|-----------|-------------------|-----------------|--|--|--|
| 1         | 2                 | 3               | 4  | 5  | 6  |
| 1.        | Vaishnavajan      | 280.42M         | Director of Information<br>Government of Gujarat,<br>Sachivalaya, Ahmedabad. | Documentary film (for release in<br>Gujarat Circuit only). |  |

[No. F. 24/1/69—FP App. 1385]

BANU RAM AGGARWAL,  
UNDER SECY.

## सूक्ष्मा और प्रसारण मंत्रालय

नई दिल्ली, 2 सितम्बर 1969

एस० ओ० 3790.—बलचिन्न अधिनियम, 1952 की धारा 5(1) और चलचित्र (सेसर) नियमावायी, 1958 के नियम 9 के उपनियम 2 के साथ पठित नियम 8 के उपनियम (3) द्वारा दिए गए अधिकारों का प्रयोग करते हुए, केन्द्रीय सरकार ने केन्द्रीय फ़िल्म सेंसर बोर्ड से परामर्श करके एतद्वारा श्री ललित कुमार भूतराज आटो को अभी से 31 दिसम्बर, 1969 तक उक्त बोर्ड के बम्बई सलाहकार मण्डल का सदस्य नियुक्त किया है।

[सं० 11/12/69-एफ० सी०]

एस० ओ० 3791.—बलचिन्न अधिनियम, 1952 की धारा 5(1) और चलचित्र (सेसर) नियमावायी, 1958 के नियम 9 के उपनियम 2 के साथ पठित नियम 8 के उपनियम (3) द्वारा दिए गये अधिकारों का प्रयोग करते हुए, केन्द्रीय सरकार ने केन्द्रीय फ़िल्म सेंसर बोर्ड से परामर्श करके एतद्वारा श्री पश्चाला सुरेनारायण राव को अभी से 31 दिसम्बर, 1969 तक उक्त बोर्ड के मद्रास सलाहकार मण्डल का सदस्य नियुक्त किया है।

[सं० 11/3/68-एफ० सी०]

नई दिल्ली, 10 सितम्बर, 1969

एस० ओ० 3792.—चलचित्र अधिनियम, 1952 की धारा 5(1) और चलचित्र (सेसर) नियमावायी, 1958 के नियम 9 के उपनियम 2 के साथ पठित नियम 8 के उपनियम (3) द्वारा दिए गये अधिकारों का प्रयोग करते हुए, केन्द्रीय सरकार ने केन्द्रीय फ़िल्म सेंसर बोर्ड से परामर्श करके एतद्वारा डॉ. बो० शी० अधिकारी को अभी से 31 दिसम्बर, 1969 तक उक्त बोर्ड के कलकत्ता सलाहकार मण्डल का सदस्य नियुक्त किया है।

[सं० 11/1/68-एफ० सी०]

## भ्रष्टा

नई दिल्ली, 11 सितम्बर, 1969

एस० ओ० 3793.—इसके साथ लगी प्रथम श्रावृत्ति में निर्धारित प्रत्येक अधिनियम के उपनियम के अधीन जारी किये गये निवेशों के अनुगार, केन्द्रीय सरकार, फ़िल्म सलाहकार बोर्ड, बम्बई को सिकारिशों पर विचार करने के बाद, एतद्वारा, इसके साथ लगी द्वितीय श्रावृत्ति के

कालम 2 में दी गई फिल्म को उसके गुजराती भाषा रूपान्तरों सहित, जिसका विवरण उसके सामने उक्त द्वितीय अनुसूची के कालम 6 में दिया हुआ है, स्वीकृत करती है :—

### प्रथम अनुसूची

- (1) चलचित्र अधिनियम, 1952 (1952 का 37वां केन्द्रीय अधिनियम) की धारा 12 की उपधारा (4) तथा धारा 16।
- (2) बम्बई सिनेमा (विनियम) अधिनियम, 1953 (1953 का 17वां बम्बई अधिनियम की धारा 5 की उपधारा (3) तथा धारा 9।
- (3) सौराष्ट्र सिनेमा (विनियम) अधिनियम 1953 (1953 का 17वां सौराष्ट्र अधिनियम) की धारा 5 की उपधारा (4) तथा धारा 9।

### द्वितीय अनुसूची

| क्रम | फिल्म का नाम | लम्बाई        | आदेशक का नाम | निर्माता का नाम | क्या वैशानिक फिल्म है  |
|------|--------------|---------------|--------------|-----------------|--|
| १    | ख्या         | 35<br>मि० मी० |              |                 | या शिक्षा सम्बन्धी फिल्म है या समाचार और सामयिक घटनाओं की फिल्म है या डाकुमेन्ट्री फिल्म है। |

| (1)           | (2)    | (3)   | (4) | (5)   | (6) |
|---------------|--------|---|-----|---|-----|
| (1) वैश्वनवजन | 280.42 | सूचना निदेशक, गुजरात सरकार, मोटर सचिवालय, अहमदाबाद-15 |     | डाकुमेन्ट्री फिल्म (केवल गुजरात सर्किट के लिये) |     |

[संक० 24/1/69—एक० पौ० परिशब्द 1385]  
बाबू राम अग्रवाल, अवर सचिव।

### MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION (Department of Labour and Employment)

*New Delhi, the 9th September 1969*

S.O. 3794.—Whereas the State Government of Bihar has, in pursuance of clause (d) of section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), nominated Shri M. Alam, Secretary to the Government of Bihar, Department of Labour and Employment, to represent that State on the Employees' State Insurance Corporation in place of Shri K. A. Ramasubramanian;

Now, therefore, in pursuance of section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following further amendment in the Notification of the Government of India, in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 2551, dated the 9th August, 1966, namely:

In the said Notification under the heading “(Nominated by the State Governments under clause (d) of Section 4)”, for the entry against item 10, the following entry shall be substituted, namely:

“Shri M. Alam,  
Secretary to the Government of Bihar,  
Department of Labour and Employment,  
Patna.”

[No. F. 3(2)/69-HL]

**S.O. 3795.**—Whereas it appears to the Central Government that the employer and the majority of the employees in relation to the establishment known as Messrs M.C.T.M. Firm, 30, Coral Merchant Street, Madras-1 have agreed that the provisions of the Employees' Provident Funds Act, 1952 (19 of 1952), should be made applicable to the said establishment;

Now, therefore, in exercise of the powers conferred by sub-section (4) of section 1 of the said Act, the Central Government hereby applies the provisions of the said Act to the said establishment.

This Notification shall come into force on the thirty-first day of August, 1969

[No. 8(91)/69-PF.II(i).]

**S.O. 3796.**—In exercise of the powers conferred by first proviso to section 6 of the Employees' Provident Funds Act, 1952 (19 of 1952), the Central Government, after making necessary enquiry into the matter, hereby specifies that, with effect from the 31st day of August, 1969, section 6 of the said Act shall in its application to Messrs M.C.T.M. Firm, 30, Coral Merchant Street, Madras-1 be subject to the modification that for the words "six and a quarter per cent", the words "eight per cent" were substituted.

[No. 8(91)/69-PF.II(ii).]

**S.O. 3797.**—Whereas it appears to the Central Government that the employer and the majority of the employees in relation to the establishment known as Messrs Srilakshmi Narayana Shelling and Oil Mills, Bellary Road, Kurnool, have agreed that the provisions of the Employees' Provident Funds Act, 1952 (19 of 1952), should be made applicable to the said establishment;

Now, therefore, in exercise of the powers conferred by sub-section (4) of section 1 of the said Act, the Central Government hereby applies the provisions of the said Act to the said establishment with effect from the 31st August, 1969.

[No. 8(93)/69-PF.II(i).]

**S.O. 3798.**—In exercise of the powers conferred by the first proviso to section 6 of the Employees' Provident Funds Act, 1952 (19 of 1952), the Central Government, after making necessary enquiry into the matter, hereby specifies that, with effect from the thirty-first day of August, 1969 section 6 of the said Act shall in its application to Messrs Srilakshmi Narayana Shelling and Oil Mills, Bellary Road, Kurnool, be subject to the modification that for the words, "six and a quarter per cent", the words "eight per cent" were substituted.

[No. 8(93)/68 PF.II(ii).]

New Delhi, the 10th September 1969

**S.O. 3799.**—In exercise of the powers conferred by sub-section (1) of section 13 of the Employees' Provident Funds Act, 1952 (19 of 1952) and in supersession of the Notification of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 4044, dated the 11th November, 1968, the Central Government hereby appoints Shri T. Gomer, Assistant Provident Fund Commissioner (Grade I), Tamilnadu, to be Inspector for the whole of the State of Tamilnadu and the Pondicherry and Karikal areas of the Union Territory of Pondicherry for the purposes of the said Act and of any scheme framed thereunder, in relation to any establishment belonging to, or under the control of the Central Government, or in relation to any establishment connected with a railway company, a major port, a mine or an oil field, or a controlled industry.

[No. 18(20)/68-PF.I(ii).]

New Delhi, the 11th September 1969

**S.O. 3800.**—Whereas the Central Government has in pursuance of clause (e) of section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), nominated Shri V. K. Chanana, Labour Commissioner, Delhi Administration, Delhi, to represent that Union Territory on the Employees' State Insurance Corporation in place of Shri R. K. Ahuja;

Now, therefore, in pursuance of section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following further amendment in the Notification of the Government of India in the Ministry

of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 2551, dated the 9th August, 1966, namely : -

In the said notification, under the heading "(Nominated by the Central Government under clause (e) of section 4 to represent Union Territories)", for the entry against item 22, the following entry shall be substituted, namely : -

"Shri V. K. Chanana, Labour Commissioner, Delhi Administration, Delhi."

[No. F. 3/2/69-HI.]

**S.O. 3801.**—Whereas the State Government of Madhya Pradesh, has in pursuance of clause (d) of section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), nominated Shri B. M. Date, Labour Commissioner, Madhya Pradesh, Indore, to represent that State on the Employees' State Insurance Corporation in place of Shri M. M. Khar;

Now, therefore, in pursuance of section 4 of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following further amendment in the notification of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 2551 dated the 9th August, 1966, namely : -

In the said notification, under the heading "[Nominated by the State Governments under clause (d) of section 4]", for the entry against item 13, the following entry shall be substituted, namely : -

"Shri B. M. Date, Labour Commissioner, Madhya Pradesh, Indore."

[No. F. 3/2/69-HI.]

*New Delhi, the 12th September 1969*

**S.O. 3802.**—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government, having regard to the location of the Andhra University Press, Waltair, in an implemented area, hereby exempts the said Press from the payment of the employer's special contribution leviable under Chapter VA of the said Act for a period of one year with effect from the 10th July, 1969, upto and inclusive of the 9th July, 1970

[No. F. 6(41)/69-HI.]

**S.O. 3803.**—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government, having regard to the location of the Central Government Press, Ahmedabad, in an implemented area, and in continuation of the notification of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 4042, dated the 8th November, 1968, hereby exempts the said press from the payment of the employer's special contribution leviable under Chapter VA of the said Act for a further period of one year with effect from 18th August, 1969, upto and inclusive of 15th August, 1970

[No. F. 6/91/68-HI.]

DALJIT SINGH, Under Secy.

श्रम नियोजन और पुनर्वास मंत्रालय

(श्रम और नियोजन विभाग)

नई दिल्ली, 3 सितम्बर, 1969

**का० आ० 3804—कर्मचारी भविष्य निधि अधिनियम, 1952 (1952 का 19) की आरा 13 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए और भारत सरकार के भूतपूर्व समान सुरक्षा विभाग की अधिसूचना संख्या का० आ० 3601 तारीख 3 अक्टूबर, 1964 को अधिकान्त करते हुए केन्द्रीय सरकार श्री के० एम० भट्ट, सहायक भविष्य निधि आयुक्त (श्रेणी) मध्य प्रदेश, को उक्त अधिनियम या उसके अधीन तैयार की गई किसी स्कीम के प्रयोग के लिये, केन्द्रीय सरकार की या उसके नियंत्रण के किसी ऐलवे कम्पनी, महापत्तन, खान या सेल क्षेत्र या नियंत्रित उद्योग से सम्बन्धित किसी स्थापना के सम्बन्ध में, सम्पूर्ण मध्य प्रदेश राज्य के लिये नियोजित करती है।**

[सं० 18 (20)/68 पी० एफ० -1(1)]

नई दिल्ली, ६ सितम्बर, १९६९

**का० आ० ३८०५।—यतः केन्द्रीय सरकार इयह प्रजीत होता है कि मैसर्स एम० शी० टी० एम० फर्म, ३०, कोराल मर्चेंट स्ट्रीट, मद्रास-१ नामक स्थापन से संबंध नियोजक और कर्मचारियों की वृसंख्या इस बात पर सहमत हो गई है कि कर्मचारों भविष्य निधि अधिनियम, १९५२ (१९५२ का १९) के उपबन्ध उक्त स्थापन को लागू किए जाने चाहिए;**

**अतः अब, उक्त अधिनियम की धारा १ की उपधारा (४) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार उक्त अधिनियम के उपबन्ध उक्त स्थापन को एतद्वारा लागू करती है।**

**भविष्य सूचना १९६९ के अगस्त के शुक्रवार दिन को प्रवृत्त होगी।**

[सं० ८/९१/६९ म० निं० ii (i)]

**का० आ० ३८०६।—कर्मचारी भविष्य निधि अधिनियम, १९५२ (१९५२ का १९) की धारा ६ के प्रथम परन्तुक द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्रीय सरकार, इस विषय में “आवश्यक जांच कर लेने के पश्चात् एतद्वारा यह विनिर्दिष्ट करती है कि १९६९ के अगस्त के इकतीसवें दिन से उक्त अधिनियम की धारा ६, मैसर्स एम० शी० टी० एम० फर्म, ३०, कोराल मर्चेंट स्ट्रीट, मद्रास-१ को लागू होने के संबंध में इस उपान्तरण के अध्यधीत होगी कि “सबा छह प्रतिशत” शब्दों के लिये, “आठ प्रतिशत” शब्द प्रतिस्थापित किये जाए।**

[सं० ८/९१/६९ म० निं० ii (ii)]

**का० आ० ३८०७।—यतः केन्द्रीय सरकार को यह प्रतीत होता है कि मैसर्स श्री लक्ष्मी नारायण ऐलिंग १४ आयल मिस, बेलारी रोड, कुरुक्षेत्र नामक स्थापन से संबंध नियोजक और कर्मचारियों की वृसंख्या इस बात पर सहमत तो गई है कि कर्मचारी भविष्य निधि अधिनियम, १९५२ (१९५२ का १९) के उपबन्ध उक्त स्थापन को लागू किए जाने चाहिए;**

**अतः अब, उक्त अधिनियम की धारा १ की उपधारा (४) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार ३१ अगस्त, १९६९ से उक्त अधिनियम के उपबन्ध उक्त स्थापन को एतद्वारा लागू करती है।**

[सं० ८/९३/६९/म० निं० II (ii)]

**का० आ० ३८०८।—कर्मचारी भविष्य निधि अधिनियम, १९५२ (१९५२ का १९) की धारा ६ के प्रथम परन्तुक द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, केन्द्रीय सरकार, इस विषय में आवश्यक जांच कर लेने के पश्चात् एतद्वारा यह विनिर्दिष्ट करती है कि १९६९ के अगस्त के इकतीसवें दिन से उक्त अधिनियम की धारा ६, मैसर्स श्री लक्ष्मी नारायण ऐलिंग १४ आयल मिस, बेलारी रोड, कुरुक्षेत्र को लागू होने के संबंध में इस उपान्तरण के अहवालों कि “सबा छह प्रतिशत” शब्द के लिए “आठ प्रतिशत” शब्द प्रतिस्थापित किए जाए।**

[सं० ८/९३/६९ म० निं० II (ii)]

नई दिल्ली, १० सितम्बर १९६९

**का० आ० ३८०९।—कर्मचारी भविष्य निधि अधिनियम, १९५२ (१९५२ का १९) की धारा १३ की उपधारा (१) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए और भारत सरकार के श्रम, नियोजन और पुनर्वास नियाय (श्रम और नियोजन विभाग) की अधिसूचना सं० का० आ० ४०४४ तारीख ११ नवम्बर, १९६८ को अधिकान्त करते हुए केन्द्रीय सरकार की टी० गोमर, सहायक भविष्य निधि आयुक्त (श्रेणी १), तमिलनाडु, को उक्त अधिनियम या उसके अधीन तैयार की गई किसी स्कीम के**

प्रयोजन के लिए, केन्द्रीय सरकार की या उसके नियंत्रणाधीन किसी स्थापन के सम्बन्ध में, अथवा किसी रेल कम्पनी, महा पतन, खान या तेज क्षेत्र, या नियोजित उद्योग से सम्बन्धित किसी स्थापन के सम्बन्ध में समूर्ण तमिलनाडु राज्य और पांडिचेरी संव राज्य क्षेत्र के पांडिचेरी और कारीकल क्षेत्रों के लिए एतद्वारा निरीक्षक नियुक्त करती है।

[सं० 18( 20 )/ 68-प० एफ०-श० (ii)]

दलजीत सिंह, भवर सचिव ।

(Department of Labour and Employment)

New Delhi, the 10th September 1969

**S. O. 3810.**—In exercise of the powers conferred by section 39 of the Industrial Disputes Act, 1947 (14 of 1947), and in supersession of the notifications of the Government of India in the late Ministry of Labour and Employment No. S.O. 2723 dated the 14th November, 1961, and in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. S.O. 3257, dated the 15th September, 1967, the Central Government hereby directs that the power exercisable by it under sub-section (1) of section 34 of the said Act, shall, in respect of the offences punishable under sections 26, 27, 28 and 29 of that Act be exercisable also by each of the officers mentioned in column 2 of the table annexed hereto in the area specified in the corresponding entry in column 3 of the said table.

THE TABLE

| S.<br>No.                     | Designation of Officers                   | Territorial jurisdiction  |
|-------------------------------|---|---|
| 1                             | 2   | 3   |
| <i>I. C.L.C. Headquarters</i> |   |   |
| 1                             | Labour Enforcement Officer, New Delhi-I   |   |
| 2                             | Labour Enforcement Officer, New Delhi-II  |   |
| 3                             | Labour Enforcement Officer, New Delhi-III |   |
| 4                             | Labour Enforcement Officer, New Delhi-IV  |   |
| 5                             | Labour Enforcement Officer, New Delhi-V   |   |
| 6                             | Labour Enforcement Officer, New Delhi VI  |   |
| }                             |   |   |
|                               |   | Whole of India except the State of Jammu and Kashmir.   |
| <i>II. Bombay</i>             |   |   |
| 7                             | L.E.O. (C), Bombay-I                      |   |
| 8                             | L.E.O. (C), Bombay-II                     |   |
| 9                             | L.E.O. (C), Bombay-III                    |   |
| 10                            | L.E.O. (C), Bombay IV                     |   |
| 11                            | L.E.O. (C), Bombay V                      |   |
| 12                            | L.E.O. (C), Bombay VI                     |   |
| 13                            | L.E.O. (C), Bhusaval                      |   |
| 14                            | L.E.O. (C), Chanda                        |   |
| 15                            | L.E.O. (C), Vascodagama                   |   |
| 16                            | L.E.O. (C), Ponda                         |   |
| }                             |   |   |
|                               |   | The State of Maharashtra and Union Territory of Goa, Daman and Diu.   |
| <i>III. Calcutta</i>          |   |   |
| 17                            | L.E.O. (C), Calcutta-I                    |   |
| 18                            | L.E.O. (C), Calcutta-II                   |   |
| 19                            | L.E.O. (C), Calcutta-III                  |   |
| 20                            | L.E.O. (C), Calcutta-IV                   |   |
| 21                            | L.E.O. (C), Calcutta V                    |   |
| 22                            | L.E.O. (C), Kharagpur                     |   |
| 23                            | L.E.O. (C), Gauhati                       |   |
| 24                            | L.E.O. (C), Siliguri                      |   |
| 25                            | L.E.O. (C), Tezpur                        |   |
| }                             |   |   |
|                               |   | The State of West Bengal (excluding the Districts of Burdwan, Birbhum, Bankura and Purulia), the States of Assam and Nagaland and the Union Territories of Manipur and Tripura. |

*IV. Madras*

- 26 L.E.O. (C), Madras-I
- 27 L.E.O. (C), Madras-II
- 28 L.E.O. (C), Madras-III
- 29 L.E.O. (C), Tiruchirapalli
- 30 L.E.O. (C), Coimbatore
- 31 L.E.O. (C), Madurai
- 32 L.E.O. (C), Salem
- 33 L.E.O. (C), Ernakulam

The State of Tamil Nadu and Kerala and the Union Territory of Pondicherry.

*V. Jabalpur*

- 34 L.E.O. (C), Jabalpur-I
- 35 L.E.O. (C), Jabalpur-II
- 36 L.E.O. (C), Ratlam
- 37 L.E.O. (C), Bhopal
- 38 L.E.O. (C), Satna

The State of Madhya Pradesh.

*VI. Kanpur*

- 39 L.E.O. (C), Kanpur-I
- 40 L.E.O. (C), Kanpur-II
- 41 L.E.O. (C), Kanpur-III
- 42 L.E.O. (C), Delhi-I
- 43 L.E.O. (C), Delhi-II
- 44 L.E.O. (C), Bareilly
- 45 L.E.O. (C), Gorakhpur
- 46 L.E.O. (C), Allahabad
- 47 L.E.O. (C), Lucknow
- 48 L.E.O. (C), Jullundur
- 49 L.E.O. (C), Dehradun
- 50 L.E.O. (C), Jhansi

The State of Uttar Pradesh, Punjab and Haryana and the Union Territories of Delhi, Himachal Pradesh and Chandigarh.

*VII. Dhanbad*

- 51 L.E.O. (C), Dehri-on-Sone
- 52 L.E.O. (C), Katrasgarh
- 53 L.E.O. (C), Koderma
- 54 L.E.O. (C), Muzaffarpur
- 55 L.E.O. (C), Patherdih
- 56 L.E.O. (C), Kikend
- 57 L.E.O. (C) Giridih
- 58 L.E.O. (C), Bhagmara-I
- 59 L.E.O. (C), Bhagmara-II
- 60 L.E.O. (C), Chirkunda
- 61 L.E.O. (C), Jharia
- 62 L.E.O. (C), Katihar
- 63 L.E.O. (C), Birmo
- 64 L.E.O. (C), Dhanbad-I
- 65 L.E.O. (C), Dhanbad-II
- 66 L.E.O. (C), Dhanbad-III
- 67 L.E.O. (C), Dhanbad-IV
- 68 L.E.O. (C), Dhanbad-V

The State of Bihar (excluding Singhbhum District).

*VIII. Hyderabad*

- 69 L.E.O. (C), Hyderabad-I
- 70 L.E.O. (C), Hyderabad-II
- 71 L.E.O. (C), Hyderabad-III
- 72 L.E.O. (C), Vijayawada
- 73 L.E.O. (C), Visakhapatnam
- 74 L.E.O. (C), Cuntakal
- 75 L.E.O. (C), Bangalore
- 76 L.E.O. (C), Mancherial
- 77 L.E.O. (C), Chitradurga
- 78 L.E.O. (C), Gulbarga
- 79 L.E.O. (C), Bellary.

The States of Mysore and Andhra Pradesh.

*IX. Ajmer*

80 L.E.O. (C), Ahmedabad  
81 L.E.O. (C), Bhilwara  
82 L.E.O. (C), Jaipur  
83 L.E.O. (C), Jodhpur  
84 L.E.O. (C), Ajmer-I  
85 L.E.O. (C), Ajmer-II  
86 L.E.O. (C), Kota  
87 L.E.O. (C), Baroda  
88 L.E.O. (C), Udaipur.

} The States of Rajasthan and Gujarat.

*X. Asansol*

89 L.E.O. (C), Asansol-I  
90 L.E.O. (C), Asansol-II  
91 L.E.O. (C), Asansol-III  
92 L.E.O. (C), UKhra  
93 L.E.O. (C), Raniganj.

} The Districts of Burdwan, Birbhum, Bankura and Purulia in the State of West Bengal.

*XI. Bhubaneswar*

94 L.E.O. (C), Bhubaneswar  
95 L.E.O. (C), Titlagarh  
96 L.E.O. (C), Rourkela.

} The State of Orissa and Singhbhum District of Bihar

[No. F. 1/51/69-IR-I]

New Delhi, the 15th September 1969

**S.O. 3811.**—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Hyderabad, in the industrial dispute between the employers in relation to the Andhra Bank Limited, Hyderabad and their workmen, which was received by the Central Government on the 8th September, 1969

BEFORE THE INDUSTRIAL TRIBUNAL (CENTRAL) AT HYDERABAD.

PRESENT:

Sri Mohammad Najmuddin, M.A., B.L., Chairman, Industrial Tribunal, Hyderabad

INDUSTRIAL DISPUTE NO. 49 OF 1968.

BETWEEN,

C. V Sivarama Krishna, Workman of Andhra Bank Limited, Hyderabad

AND

The Management, Andhra Bank Limited, Hyderabad.

APPEARANCES:

Sarvasri P. Venkateswara Sarma, V. V. K. Ranadhir and C. V. Sivarama Krishna for Claimant.

Sarvasri S. Narsimham and B. Papa for Management.

**AWARD**

The Government of India in its Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) had, by order No. 23/4/68-LR.III dated 26th August, 1968, referred this case to me for adjudication. The issue as schedule appended to the notification is this:

Having regard to paragraph 5.356 of the Award of the National Tribunal (Bank Disputes), whether the Management of Andhra Bank, Hyderabad, was justified in re-fixing the pay of Sri S. V. Sivarama Krishna, the workman in the Machilipatnam branch of the Bank and insisting on the recovery of Rs. 8,782.48 from his pay?

If not, to what relief is the workman entitled?

2. The Andhra Bank Employees' Association, Machillpatnam, is party to the reference through its General Secretary. The statement of claim was filed by and under the signature of Mr. Sarma, the General Secretary of the Association. Briefly, the case of the Association is that the recovery mentioned in the issue under reference cannot be made. The Management filed counter through Mr. S. Narsimham, Staff Superintendent, Andhra Bank Limited. Briefly, the case of the Management is that the proposed recovery was proper and valid. I am not referring to the pleadings of the parties in any detail because that is not necessary. A memorandum of settlement dated this day the 1st September, 1969 is filed. On behalf of the Andhra Bank Employees Association it is signed by Mr. P. Venkateswara Sarma and by Mr. V. V. K. Ranadhir. They are respectively President and Assistant Secretary of the Association. It is also signed by the claimant, Mr. C. V. Sivarama Krishna. On behalf of the Management it is signed by Mr. S. Narsimham and by Mr. B. Papa Raju. They are respectively Staff Superintendent and Officer, Staff Department in the Andhra Bank. I have perused the terms of settlement. I find that the settlement is fair and equitable between the parties.

3. Award is herewith passed in terms of the memorandum of settlement dated 1st September, 1969, copy whereof is appended hereto.

Given under my hand and the seal of the Tribunal, this the 1st day of September, 1969

(Sd.) M. NAJMUDDIN,  
Industrial Tribunal.

BEFORE THE INDUSTRIAL TRIBUNAL (CENTRAL) AT HYDERABAD

INDUSTRIAL DISPUTE No. 49 OF 1968

C. V. Sivarama Krishna.

*Versus*

The Andhra Bank Ltd.

On a re-fixation of basic pay made by the Andhra Bank a dispute was raised on behalf of Mr. C. V. Sivaramakrishna, and the same was referred for adjudication to the Industrial Tribunal under Section 10(l)(d) of the Industrial Disputes Act by the Central Government. The parties filed their respective statements and thereafter discussions were held between the parties and a settlement was arrived at regarding the case which is the subject matter of reference numbered as I.D. 49 of 1968. The settlement arrived at is as follows:—

It is mutually agreed that the Management will fit Mr. C. V. Sivarama Krishna in the appropriate Desai Award scale of pay as per paragraph 5.356 of the Desai Award as interpreted by the Supreme Court in Civil Appeals Nos. 1008 and 1009 of 1965 between State Bank of Patiala and Mr. Ramprakash and another (1966 Part I LLJ Page 34) and then fit the employee in the appropriate scales of pay under B. P. Settlement as per sub-clause (a) of Clause 4.7 of B. P. Settlement. Fitted on this basis, the basic pay of Mr. C. V. Sivaramakrishna, Stenographer, Central Office, on January 1, 1962 under Desai Award would be Rs. 237/- In accordance with the above, the gross amount (dearness allowance, etc.) due to Mr. Sivarama Krishna is calculated and fixed at Rs. 6,714.99 upto 31st August, 1969. His contribution to P.F. on the basic pay etc., coming to Rs. 453/- is deducted and an amount of Rs. 6,261.99 plus bonus of Rs. 331.35, total Rs. 6,593.34 is found payable to Mr. C. V. Sivarama Krishna and the workman accepts this amount in full satisfaction of the claim. The arrears will be paid to the employee on or before 30th September 1969.

The question of any other adjustments in overtime wages etc., will not be reopened by or on behalf of the workman or the Andhra Bank Employees' Association, who are both signing this in token of acquiescence.

In view of the settlement referred to above, there is no dispute now between the parties and there is no need to pursue the matter before the Honourable Tribunal.

Under the circumstances explained, we request that this Honourable Tribunal may be pleased to pass an Award in terms of the Agreement.

For the Andhra Bank Employees' Association..

For the Andhra Bank Ltd.,

1. P. VENKATESWARA SARMA,

President, 1-9-69

I. S. NARASIMHAM,

Staff Superintendent, 1-9-69.

2. V. V. K. RANADHIR

Asstt. Secy., 1-9-69

2. B. PAIARASU,

Officer-Staff Dept., 1-9-69.

3 C V. SIVA RAMA KRISHNA 1-9-69

M. NAJMUDDIN,

Industrial Tribunal.

[No. 23/4/68/LRIII.]

## ORDERS

New Delhi, the 5th September 1969

S.O. 3812.—Whereas the industrial dispute specified in the Schedule hereto annexed is pending before Shri P. P. R. Sawhney, Presiding Officer, Industrial Tribunal, Chandigarh;

And whereas the services of Shri P. P. R. Sawhney have ceased to be available;

Now, therefore, in exercise of the powers conferred by section 7A, and sub-section (1) of the section 33B of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal with Shri P. N. Thukral as the Presiding Officer, with headquarters at Faridabad, withdraws the proceedings in relation to the said dispute from the Industrial Tribunal, Chandigarh and transfers the same to the said Industrial Tribunal, Faridabad, for the disposal of the said proceedings with the direction that the said Tribunal shall proceed with the proceedings from the stage at which they are transferred to it and dispose of the same according to law.

## SCHEDULE

| S. No. | Parties to the dispute                          | Order No. and date.                                    | S. O. No. of Gazette and year of publication |
|--------|---|--|--|
| 1      | Punjab National Bank Limited and their workmen. | 23/80/68/LR- III,<br>dated the 10th-<br>December, 1968 | 4522/68.                                     |

[No. 23/80/68/LR-III.]

New Delhi, the 8th September 1969

S.O.3813.—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the Vijaya Bank Limited and their workmen in respect of the matter specified in the Scheduled hereto annexed;

And, whereas the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7A and clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal of which Shri B. M. Jayamahadeva Prasad shall be the Presiding Officer, with headquarters at Bangalore and refers the said dispute for adjudication to the said Tribunal.

SCHEDULE

Whether the management of the Vijaya Bank Limited, Mangalore-3, was justified in transferring Shri A. P. Tinalkar, Joint Secretary of the Vijaya Bank Employees' Association, Coondapoor from their Dharwar Branch to K. G. Road, Bangalore Branch? If not, to what relief is he entitled?

[No. 23/78/69/LRIII.]

**S.O. 3814.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the Vijaya Bank Limited and their workmen in respect of the matter specified in the Schedule hereto annexed;

And, whereas the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7A and clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal of which Shri B. M. Jayamahadeva Prasad shall be the Presiding Officer, with headquarters at Bangalore and refers the said dispute for adjudication to the said Tribunal.

SCHEDULE

"Whether the management of the Vijaya Bank Limited, Mangalore-3, was justified in transferring Shri Ganesh Shetty, clerk from their Dajibapeth, Hubli Branch (Mysore State), to Kanhangad Branch (Kerala State)? If not, to what relief is he entitled?"

[No. 23/77/69/LRIII.]

New Delhi, the 10th September 1969

**S.O. 3815.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the New Great Insurance Company of India Limited, Nagpur and their workman in respect of the matters specified in the Schedule hereto annexed;

And, whereas the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute for adjudication to the Industrial Tribunal No. 2, Bombay, constituted under section 7A of the said Act.

SCHEDULE

"Whether the management of the New Great Insurance Company of India Limited, Nagpur was justified in terminating the services of Shri R. S. Kale with effect from the 3rd August, 1968? If not, to what relief is he entitled?"

[No. 40/5/69-LR-III(LR-I).]

New Delhi, the 12th September 1969

**S.O. 3816.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the Bank of Rajasthan and their workmen in respect of the matter specified in the Schedule hereto annexed;

And, whereas the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7A and clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal of which Shri Gopal Narain Sharma shall be the Presiding Officer, with headquarters at Jaipur and refers the said dispute for adjudication to the said Tribunal.

SCHEDULE

"Whether Shri Mishrilal Agarwal formerly a workman of the Bhilwara branch of the Bank of Rajasthan, Johri Bazar, Jaipur is entitled to permanent absorption in the employment of the bank and if so, from what date?"

[No. 23/86/69/LR.III.]

S. S. SAHASRANAMAN, Under Secy.

(Department of Labour and Employment)

New Delhi, the 10th September 1969

**S.O. 3817.**—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Bombay in the industrial dispute between the employers in relation to the Bombay Licensed Measures Limited, Bombay and their workmen represented by the Transport and Dock Workers Union, Bombay, which was received by the Central Government on the 31st August, 1969.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, BOMBAY.

REFERENCE No. CGIT-14 of 1967

PARTIES :

Employers in relation to the Bombay Licensed Measures Limited, Bombay

AND

Their workmen.

PRESENT:

Shri A. T. Zambre, Presiding Officer.

APPEARANCES:

For the employers:—Shri V. Parasuram, Secretary, Bombay Licensed Measures Ltd.

For the workmen:—Shri I. S. Sawant, Assistant Secretary, Transport and Dock Workers' Union, Bombay.

STATE: Maharashtra.

INDUSTRY: Ports and Docks (Licensed Measures).

Bombay, the 25th August 1969

AWARD PART II

The Government of India, Ministry of Labour, Employment and Rehabilitation by their Order No. 28/93/66/LRIV dated 27th April 1967 have referred to this Tribunal for adjudication an industrial dispute existing between the employers in relation to Messrs. Bombay Licensed Measures Ltd, Bombay and their workmen represented by the Transport and Dock Workers' Union, Bombay, in respect of the matters specified in the schedule attached to it.

2 The employers are doing the business of issuing certificates of measurement in respect of cargo exported from or imported into Bombay Docks and the workmen in their employ who are parties to the dispute are working as stampmen and callipermen, assistant havaldar and havaldar etc. They are the members of the Transport and Dock Workers' Union. There was an amicable settlement in respect of some demands and I have passed award part I dated 13th August 1968. As per terms of that compromise the demands Nos. (2) fixation (3) supervision (6) long distance allowance (7) leave travel concession (8) free uniforms and (9) education allowance were settled and the three demands viz., demand No. 1—Pay scales demand No. (4) dearness allowance and demand No. (5) overtime were kept pending. It was then agreed that these demands should be kept pending till the final recommendations of the Central Wage Board for Port and Dock workers. But when the matter was again kept for hearing the parties settled these three demands also and filed a memorandum of settlement requesting this Tribunal to pass an award Part II in terms of the same. Under

this settlement the union has agreed not to raise any dispute over pay scales and dearness allowance (demands Nos. 1 and 4 of the terms of reference) during the currency of the settlement.

3. Before considering the reasonableness of the settlement it is necessary to state here that after the interim recommendations of the Central Wage Board for Port and Dock Workers were published the management had implemented them by granting interim relief to the workmen assuming them to be dock workers. Subsequently owing to the decision of the Central Government Industrial Tribunal, Calcutta, regarding workmen in the employ of the licensed measures the management made an application—Application No. CGIT-33 of 1967—for permission to discontinue the payment of interim relief which application was also pending. Now under the present settlement the management has agreed to withdraw Application No. CGIT-33 of 1967 regarding discontinuance of the payment of interim relief and the union has agreed not to press its demand for revision of pay scales and dearness allowance. Consequently the management will continue to pay to the workmen the interim relief.

4. Under the settlement the management has also agreed to pay to the stampmen and callipermen overtime wages at the rate of Rs. 8/- irrespective of the period of overtime. There is also a provision regarding payment of overtime wages for work done on dock holidays. Under the settlement the workmen are also entitled to get arrears for overtime work done beyond the scheduled working hours and in my opinion the settlement is fair and reasonable and I pass an award in terms of the settlement exhibit 1 which shall form part of this award Part II.

No order as to costs.

(Sd.) A. T. ZAMBRE, Presiding Officer,  
Central Government Industrial Tribunal, Bombay.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL  
AT BOMBAY

REFERENCE CGIT No. 14 OF 1967

M/s. Bombay Licensed Measurers Ltd., Bombay

AND

Their workmen.

In the matter of pay scales, fixation, supervision, D.A.,  
overtime etc.

May it please the Hon. Tribunal

The parties to the above reference have arrived at the following settlement in respect of the remaining three demands, namely, pay scales, dearness allowance and overtime and pray that a Part II award be made in terms thereof.

1. Pay-scales: 2. Dearness allowance.—These demands are not pressed by the Union and the Union agrees not to raise any dispute over these demands during the currency of this settlement.

3. Withdrawal of the application for discontinuance of interim relief.—Since the Union has not pressed its demands for revision of wage scales and dearness allowance the Company agrees to withdraw its application No. CGIT 33 of 1967 dated 14th December 1967 for discontinuance of the interim relief paid to the workmen. The Company agrees to continue the quantum of interim relief now paid to the staff as an additional payment.

4. Overtime.—

- (1) (a) Stampmen and Callipermen will be paid for overtime work done beyond the scheduled working hours on any day (including Sunday or B. P. T. Dock Holiday) at the rate of Rs. 8/- irrespective of the period of overtime.
- (b) Stampmen and Callipermen required to work on a Sunday, or on a B.P.T. Dock Holiday will be paid Rs. 8/- in addition to the salary which they will be otherwise earning in the normal course.

(c) If the Stampmen and Callipermen are required to work on a Sunday or on a B. P. T. Dock Holiday, they will be given a substituted weekly off.

(d) Payment of overtime according to this agreement will be made from 1st July 1969.

(ii) *Overtime payment for the period 1st April 1968 to 30th June 1969*

(a) For the Period 1st April 1968 to 30th June 1969 the Company agrees to pay to the Callipermen and Stampmen at the rate of Rs. 6/- for overtime work done beyond the scheduled working hours on any day less the amount paid to them as per the settlement dated 3rd September 1960 for overtime.

(b) It is understood that the workmen have no claim whatsoever on account or arrears of overtime for the period prior to 1st April 1968.

5. Arrears payable under this settlement will be paid to the workmen within one month from the date of this agreement.

6. In view of this settlement it is agreed between the parties that the Company will not be called upon to implement any of the recommendations that may be contained in the final report of the Central Wage Board for Port and Dock Workers.

7. This settlement shall remain in force for a period of 3 years from 1st July 1969. It will continue to operate thereafter until the expiry of two months' written notice of termination given by either party.

For BOMBAY LICENSED MEASURES LTD.,  
[Sd. Illegible.]

Joint Managing Director  
for TRANSPORT & DOCK WORKERS' UNION  
[Sd. Illegible.]

Bombay Dated 29th July, 1969

Secretary.

[No. 28/93/68-LR.IV.]

#### CORRIGENDUM

New Delhi, the 9th September 1969

S.O. 3818.—In the order of the Government of India, Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) S.O. 3473, dated the 25th August, 1969 published in the Extraordinary Gazette of India Part II, Section 3 Sub-section (ii) dated the 25th August, 1969, on page 1194 for the words "Shri Tajummal Hussain" read "Shri B. S. Somasundaram".

[No. 29/53/69-Fac.II.]  
C. RAMDAS, Dy. Secy.

(Department of Labour and Employment)

New Delhi, the 11th September 1969

S.O. 3819.—In exercise of the powers conferred by section 4 of the Iron and Ore Mines Labour Welfare Cess Act, 1961 (58 of 1961) read with clause (iii) of rule 3 of the Iron Ore Mines Labour Welfare Cess Rules, 1963, the Central Government in consultation with the government of the state of Madhya Pradesh, hereby appoints Shri Munna Lal, Member of the Legislative Assembly, Madhya Pradesh, Raipur (Village and Post Ganjpara, Raipur), to be a Member of the Iron Ore Mines Labour Welfare Fund Advisory Committee for the State of Madhya Pradesh, constituted by the notification of the Government of India, in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), No. S.O. 1532 dated the 11th April, 1969, and makes the following amendment in the said notification, namely:—

In the said notification, in serial number 3, for the existing entry the following entry shall be substituted, namely:—

"Shri Munna Lal, M.L.A., Village and Post Ganjpara, Raipur".

[No. F.10/24/68-MIII.]

New Delhi, the 12th September 1969

S.O. 3820.—In exercise of the powers conferred by sub-section (1) of section 5 of the Mines Act, 1952 (35 of 1952), the Central Government hereby appoints Shri P. S. Murmu, Assistant Inspector, Labour Welfare, under the Coal Mines Labour Welfare Fund Organisation to be an Inspector of Mines subordinate to the Chief Inspector of Mines.

[No. 1/5/69-M II.]

C. R. NAIR, Under Secy.

(Department of Labour and Employment)

New Delhi, the 12th September 1969

S.O. 3821.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal, Calcutta, in the industrial dispute between the employers in relation to the management of Prasonno Dutta Kajora Colliery, Post Office Kajoragram, District Burdwan and their workmen, which was received by the Central Government on the 3rd September, 1969.

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, CALCUTTA.

REFERENCE No. 40 of 1969

PARTIES:

Employers in relation to the management of Prasonno Dutta Kajora Colliery,

AND

Their workmen.

PRESENT:

Shri B. N. Banerjee

Presiding Officer.

APPEARANCES:

On behalf of Employers—Absent

Absent

On behalf of Workmen—Shri B. S. Azad, General Secretary, Khan Shramik Congress.

STATE: West Bengal

INDUSTRY: Coal Mines

AWARD

By Order No. 6/15/69-LRII, dated April 25, 1969, the Government of India in the Ministry of Labour, Employment and Rehabilitation, (Department of Labour and Employment), referred to this Tribunal an industrial dispute between the employers in relation to the management of Prasonno Dutta Kajora Colliery and their workmen, for adjudication, namely:

"Whether the management of Prasonno Dutta Kajora Colliery, Post Office Kajoragram, District Burdwan was justified in suspending beyond 10 days and stopping from work Shri Mahadeb Singh, Depot Munshi with effect from the 7th February, 1968? If not, to what relief is he entitled?"

2. The workmen, represented by Khan Shramik Congress, filed their written statement in time. The employer company were conspicuous by absence and it was only on the date previous to the date fixed for peremptory hearing that they sent their written statement. Also on the date, previous to the date fixed for peremptory hearing, this tribunal received a telegram from the management couched in the following language:

"MANAGER SICK DATE ADJOINT-MANAGER  
PRASANNA DUTTA KAJORA COLLIERY"

The language of the telegram is clumsy and vague but I presume the telegram was sent only to obtain adjournment.

3. I am disinclined to grant any adjournment to Prasonna Dutta Kajora colliery. During this year, they failed to appear in successive references before this tribunal, namely, Reference No. 54 of 1968, Reference No. 14 of 1969, Reference No. 20 of 1969, Reference No. 21 of 1969 and Reference No. 35 of 1969. In one of the references I awarded heavy costs against the management, namely in Reference No. 14 of 1969, in order to induce them to appear, but the measure failed. The employers have a pattern of avoiding appearance, namely ignore of notices from this tribunal throughout and immediately before the peremptory date of hearing send a telegram asking for adjournment. They do not even care for sending somebody before the tribunal to explain their real difficulties. In my opinion, it is useless to grant adjournment to this company. I, therefore, reject the prayer for adjournment.

4. Mr. B. S. Azad, General Secretary of Khan Shramik Congress appeared on behalf of the workmen. The concerned workman himself deposed. It appears from the evidence and the documents exhibited that the workman was charged with misconduct in the following language (*vide* Evt 1):

"It is reported by our 'Loading Clerk' Sri J. M. Ghose that yesterday on 5/2/68 at 6-30 P.M. while he was returning from Depot to his quarter you and Benarsi Singh (Mining Sardar) both have threatened him due to transfer of you from Depot to office and also abused him in a violent manner and attempted to assault him.

Show cause within 48 hours hence, why disciplinary action will not be taken against you.

You are immediately suspended till further enquiry."

The workman submitted a reply (Ext. 2) to the charge denying the same. A notice of enquiry dated October 11, 1968 was served upon the workman fixing the date of enquiry on October 16, 1968. The workman says:

"I attended the enquiry. I was asked several questions by the enquiring officer. In my presence he did not record anything. I was not even asked to put my signature on any paper. I produced one witness before the enquiring officer, of the name of Chandi Kahar. He was examined."

5. The grievance made before me was two-fold, (i) result of the enquiry was not made known to the workman; (ii) the workman has not been paid any subsistence allowance since the date of his suspension. Now, clause 17(i) of the Standing Order of the company reads:

"The workman may be suspended pending departmental enquiry and in such cases he shall be paid a subsistence allowance equal to half of his wages as defined in the Payment of Wages Act, 1936, for the period of suspension upto 30 days. If, however, he is kept suspended by the management beyond 30 day, this subsistence allowance will be at the rate of 3/4 of his wage, as aforesaid but if the enquiry is delayed beyond 30 days because of the workman, the subsistence allowance shall be reduced to 1/4 of his wages."

The date of the suspension is February 6, 1968. Since thereafter the workman is under suspension without notice of the fate of the enquiry against him. He is therefore entitled to subsistence allowance in accordance with Clause 17(i) of the Standing Order of the company.

6. He is also entitled to be apprised of the result of the enquiry.

7. In the result, I hold that the management of Prasonna Dutta Kajora colliery was justified in keeping the concerned workman suspended pending enquiry with effect from February 7, 1968 but was liable to pay the subsistence wages to him. The management is liable to apprise him of the result of the enquiry, whatever that may be, immediately. The subsistence allowance must be paid to the workman within a fortnight of the publication of this award and the result of the enquiry made known to the workman as herein directed.

This is my award.

(Sd.) B. N. BANERJEE, Presiding Officer.

The 28th August, 1969.

[No. 6/15/69-LRIL]

S.O. 3822.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Madras, in the industrial dispute between the employers in relation to the management of Messrs. Trichy District Quarry Workers Co-operative Labour Contract Society, Trichnappall and their workmen, which was received by the Central Government on the 5th September, 1969.

BEFORE THE INDUSTRIAL TRIBUNAL, MADRAS.

*Tuesday the 26th day of August 1969*

PRESENT:

Thiru B. S. Somasundaram, B.A., B.L., Industrial Tribunal, Madras.

INDUSTRIAL DISPUTE No. 24 of 1969.

(In the matter of the dispute for adjudication u/s. 10(1)(d) of the I. D. Act 1947 between Thiru M. Manickam and the President, The Trichy District Quarry Workers Co-operative Labour Contract Society, Trichy-2).

BETWEEN:

Thiru M. Manickam, Quarry Maistry, Kuttimalai Quarry, Edamalaiapatti.

AND

The President, The Trichy District Quarry Workers Co-operative Labour Contract Society, Trichy-2.

REFERENCE:

Order No. 36/3/69-LRI, dated 5th March 1969, of the Ministry of Labour, Employment and Rehabilitation, (Department of Labour and Employment), Government of India, New Delhi.

This dispute coming on this day for final disposal, upon pursuing the reference, claim and counter statements and all other material papers, on record and upon hearing the argument of Thiru M. Manickam appearing in person and the President of the Trichy District Quarry Workers Co-operative Labour Contract Society being absent and set *ex parte*, this Tribunal made the following:

AWARD

The Trichy District Quarry Workers Co-operative Labour Contract Society is engaged in quarrying blue jelly and granite stones from the rocks and selling them to others. The Society was started in the year 1958 with about 500 workers as its members. Manickam claimant herein was employed as a maistry in the Kuttimalai Quarry in Trichy District. He was appointed on 1st June 1965 as per Ex. W-1. His services were terminated on 19th October 1968 by the order Ex. W-2 on the ground that the financial position of the Society was not quite sound. He raised a dispute and this has resulted in the present reference with the issue given below for adjudication.

**Issue:** Whether the action of the management of Messrs Trichy District Quarry Workers Co-operative Labour Contract Society in terminating the services of Shri M. Manickam Maistry with effect from 23rd October, 1968, was justified? If, not to what relief is the employee entitled?

2. Manickam in the claim statement avers that there was some mis-understanding between him and the President consequent on his refusal to gather certain particulars as required by him and that because of this understanding the President has chosen to terminate his services suddenly without any enquiry whatsoever.

3. The contention of the management in the counter is that the termination was due to the financial position of the Society, that the claimant has drawn about Rs 54/- illegally as travelling allowance on several dates and that his services were terminated with effect from 19th October 1968.

4. When the dispute is taken up to-day for hearing the management is absent. Manickam, the claimant, is present. The management is set *ex parte*. Manickam as W. W.-1. has marked Ex. W-1 the order of appointment and stated

that due to private mis-understanding the President has chosen to terminate his services without any enquiry whatsoever suddenly on 19th October 1968. Admittedly, there has been no enquiry for any alleged mis-conduct or mis-behaviour. The dismissal is not justifiable. Manickam shall be re-instated with continuity of service and back wages.

5. There will be an award to that effect

Sd. B. S. SOMASUNDARAM,  
Industrial Tribunal.

*List of Witnesses Examined:—*

*For worker:* W. W-1 Thiru M. Manickam.

*For the management:* None.

*List of Documents Marked:*

*For the Worker:*

W—1 1-6-65 Appointment order.

W—2 19-10-68 Dismissal order.

*For the management:* Nil.

NOTE: The parties are directed to take return of their document/documents within six months from this date.

ms. 30.8/

True Copy Forwarded  
By Order,

(Sd.) Illegible  
Head Ministerial Officer,  
Industrial Tribunal, Madras.

[No. 36/3/69-L.R. IV.]

**S.O. 3823.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Central Government Industrial Tribunal, Calcutta, in the industrial dispute between the employers in relation to the management of Prasonna Dutta Kajora Colliery, Post Office Kajoragram, District Burdwan and their workmen, which was received by the Central Government on the 3rd September, 1969.**

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, CALCUTTA.

REFERENCE NO. 41 of 1969

PARTIES:

Employers in relation to the management of Prasonna Dutta Kajora Colliery,

AND

Their workmen.

PRESENT:

Shri B. N. Banerjee

Presiding Officer.

APPEARANCES:

On behalf of Employers

Absent

On behalf of Workmen

Shri B. S. Azad, General Secretary, Khan Shramik Congress.

STATE: West Bengal

INDUSTRY: Coal Mines

AWARD

By Order No. 6/19/69-LRII, dated April 29, 1969, the Government of India, in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment), referred an industrial dispute between the employers in relation to the management of Prassona Dutta Kajora Colliery and their workmen, to this tribunal, for adjudication, namely:

"Whether the management of Prassona Dutta Kajora Colliery, Post Office Kajoragram, District Burdwan was justified in suspending and stopping work of Sarvashri Chandi Kahar, Loose-man Bikaram Chammar,

and Rudal Kahar, Pick-Miners with effect from the 19th October, 1968? If not, to what relief the workmen are entitled?"

2. The workmen, represented by Khan Shramik Congress, filed their written statement in time. The employer company were conspicuous by absence and it was only on August 26, 1969, two days prior to the date fixed for peremptory hearing, that they filed their written statement. They were summoned to produce certain documents on the date fixed for hearing, which they ignored.

3. On the date of peremptory hearing, Mr. B. S. Azad appeared for the workmen but the employers were absent. I am disinclined to grant adjournment to any reference in which Prasonno Dutta Kajora colliery is a party. During this year, the said colliery failed to appear in successive references before this Tribunal, namely, Reference No. 54 of 1968, Reference No. 14 of 1969, Reference No. 20 of 1969, Reference No. 21 of 1969, Reference No. 35 of 1969 and Reference No. 40 of 1969. In one of the references, I awarded heavy costs against the management, namely in Reference No. 14 of 1969, in the hope of making them careful in future but the measure failed. The employers did not care to send anybody before the Tribunal to explain their real difficulties and I do not understand why they studiously avoid this tribunal. In my opinion, it is useless to grant adjournment to this company. I, therefore, proceed ex parte.

4. The three concerned workmen appeared and deposed. It appears from their evidence that they received chargesheets charging them with specific misconduct. They submitted replies to the chargesheets, which are Exts. 1, 3 and 5. All of them said that they did not receive any notice of enquiry nor was there any enquiry held into their alleged misconduct which of course they strongly denied.

5. I have glanced through the written statement filed on behalf of the management. Paragraph 10 of the said written statement contains the following statements:

"This Employer states that the aforesaid acts of the workmen concerned are serious misconduct under the relevant rules and/or contracts governing the service conditions of the workmen concerned and they failed to explain and/or appear before the management of the aforesaid acts duly recorded in the charge sheet, the services of the workmen concerned are deemed and/or liable to have been terminated."

The above statement goes a long way to support the grievances of the workmen that there was no enquiry held into their misconduct.

6. The grievances made before me are two-fold, (i) suspension without enquiry and (ii) non-payment of subsistence allowance during the period of suspension pending enquiry. Now, clause 17(i) of the Standing Order of the company reads:

"The workman may be suspended pending departmental enquiry and in such cases he shall be paid a subsistence allowance equal to half of his wages, as defined in the Payment of Wages Act, 1936, for the period of suspension upto 30 days. If, however, he is kept suspended by the management beyond 30 days this subsistence allowance will be at the rate of 3/4th of his wages as aforesaid but if the enquiry is delayed beyond 30 days because of the workman, the subsistence allowance shall be reduced to 1/4th of his wages."

The date of suspension of the three workmen is October 19, 1968. The workmen are entitled to subsistence allowance according to the aforesaid Rule. The enquiry, if it has not yet been held, must be held or else the chargesheet must be withdrawn and the workmen must be reinstated in their original office.

7. In the result, I hold that the management of Prasonno Dutta Kajora colliery may have been justified in keeping the three workmen suspended for a very long period pending enquiry into their misconduct with effect from October 19, 1968, at its peril, namely, subject to the liability of payment of subsistence allowance during the entire period of suspension. The management is also liable to hold the enquiry and to apprise the workmen of the result of the enquiry. I, therefore, award that the management must pay to the workmen the subsistence allowance according to Clause 17(i) of the Standing Order within a fortnight of the publication of this award and hold the enquiry into the charge, if not already

held, and publish the result thereof within a month from the publication of this award.

This is my award.

Dated,

August 29, 1969.

(Sd.) B. N. BANERJEE,  
Presiding Officer.  
[No. 6/19/69-LRII.]

## ORDERS

New Delhi, the 6th September 1969

**S.O. 3824.** -Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the Singareni Collieries Company Limited, Post Office Kothagudium Collieries (Andhra Pradesh) and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7A and clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act 1947 (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal with Shri Mohammad Najmuddin, as Presiding Officer with headquarters at Afzal Lodge, Tilak Road, Ramkote, Hyderabad-1, and refers the said dispute for adjudication to the said Industrial Tribunal.

## SCHEDULE

"Having regard to the nature of duties performed by Sarvashri S. Laxmiah, G. Ramachander and Laxminarayana as Tub-repairers in No. 2 incline, how far is the management of Singareni Collieries Company Limited, Kothagudium justified in placing them in new category II under the Central Wage Board Recommendations?

If not, what extent of relief these workmen are entitled to and from what date?"

[No. F. 7/53/68-LRII.]

**S.O. 3825.** -Whereas, the Central Government is of the opinion that an industrial dispute exists between the employers in relations to the Singareni Collieries Company Limited, Post Officer Kothagudium Collieries (Andhra Pradesh) and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7A and clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act 1947 (14 of 1947) the Central Government hereby constitutes an Industrial Tribunal with Shri Mohammad Najmuddin, as Presiding Officer with headquarters at Afzal Lodge, Tilak Road, Ramkote, Hyderabad-1, and refers the said dispute for adjudication to the said Industrial Tribunal.

## SCHEDULE

"Whether the management of Singareni Collieries Company Limited, Post Office Kothagudium Collieries are justified in not taking into account the previous services of the workers recruited through Coal Field Recruiting Organisation, put in by them in the coal mines of the company, for the purpose of computing their gratuity? If not, to what relief are these workmen entitled?"

[No. F. 7(24)/68-LRII.]

New Delhi, the 8th September 1969

**S.O. 3826.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the management of Messrs Daulatram Rameshwarlal, Post Box No. 1942, Andhra Bank Buildings, Madras-1, and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by section 7A and clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal with Shri B. S. Somasundaram, as Presiding Officer, with headquarters at Madras and refers the said dispute for adjudication to the Industrial Tribunal.

#### SCHEDULE

“Whether termination of services of Shri Rambilas Sharma by Shri J. K. Bhuwalka of Agarwal Trading Company and Messrs Daulat Ram Rameshwari Lal, with effect from the 16th December, 1967 is justified? If not, to what relief is he entitled?”

[No. 38(18)/69-LR.IV.]

New Delhi, the 12th September 1969

**S.O. 3827.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the management of Kharkharche Colliery of Messrs Bharat Mining Corporation Limited, Post Office, Kharkharee, District Dhanbad, and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947) the Central Government hereby refers the said dispute for adjudication to the Central Government Industrial Tribunal, (No. 3), Dhanbad constituted under section 7A of the said Act.

#### SCHEDULE

“Whether the action of the management of Kharkharee Colliery of Messrs Bharat Mining Corporation Limited in laying off the under-mentioned workmen with effect from the date shown against each for indefinite period is justified? If not, to what relief are the workmen concerned entitled?”

| S. No. | Name                | Designation  | Date from which laid off |
|--------|---------------------|--------------|--------------------------|
| 1.     | Shri Ramprasad Gope | Prop Mazdoor | 30-6-1968                |
| 2.     | Shri Baldeo Gope    | Prop Mazdoor | 30-6-1968                |
| 3.     | Shri Ramashankar    | Prop Mazdoor | 25-8-1968                |
| 4.     | Shri Baljnath Gope  | Line Mazdoor | 20-7-1968                |

[No. 2/131/69-LRII.]

**S.O. 3828.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the East Lohapati Colliery, Post Office, Jharia, District Dhanbad, and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute for adjudication to the Central Government Industrial Tribunal (No. 3), Dhanbad constituted under section 7A of the said Act.

SCHEDULE

"Whether the management of East Lohapati Colliery is justified in stopping their workman Shri Dukhit Pandey, pump khalashi with effect from 25th July, 1968?

If not, to what relief is the workman entitled?"

[No. 2/49/69-LRIL.]

**S.O. 3829.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the management of Mahabir Colliery, Post Office Raniganj, District Burdwan and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute for adjudication to the Central Government Industrial Tribunal, Calcutta, constituted under section 7A of the said Act.

SCHEDULE

"Whether the management of Mahabir Colliery, Post Office Raniganj, District Burdwan, unjustifiably stopped Shri Bimal Muchi and Shri Balu Muchi, Pick miners from services from 5th June 1969 and if so, to what relief they are entitled?"

[No. 6/50/69-LR.II.]

**S.O. 3830.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the management of Lower Kenda Colliery, Post Office Kajoragram, District Burdwan and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute for adjudication to the Central Government Industrial Tribunal, Calcutta constituted under section 7A of the said Act.

SCHEDULE

"Whether the management of Lower Kenda Colliery is justified in not paying variable dearness allowance at the rate of Rs. 1.11 with effect from 1st October 1967 and at the rate of Rs. 1.47 with effect from 1st April, 1968 as per the recommendations of the Wage Board for Coal Mining Industry? If not, what should be the quantum of variable dearness allowance and from what dates?"

[No. 6/82/68-LR.II.]

New Delhi, the 15th September 1969

**S.O. 3831.**—Whereas the Central Government is of opinion that an industrial dispute exists between the employers in relation to the management of Barora Colliery of Messrs Barora Coal Concern, Post Office Nawagarh, District Dhanbad, and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute for adjudication to the Central Government Industrial Tribunal (No. 3), Dhanbad, constituted under section 7A of the said Act.

SCHEDULE

"Whether the action of the management of Barora Colliery of Messrs Barora Coal Concern, Post Office Nawagarh, District Dhanbad in reducing the rate of wages of weekly paid workmen with effect from the 26th November, 1968, was justified? If not, to what relief are the workmen entitled?"

[No. 2/124/69-LRII.]

**S.O. 3832.**—Whereas by an order of the Government of India in the Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment) No. 2/124/69-LRII, dated the 15th September 1969, an industrial dispute between the employers in relation to the management of Barora Colliery of Messrs Barora Coal Concern, Post Office Nawagarh, District Dhanbad and their workmen has been referred to the Industrial Tribunal, (No. 3) Dhanbad, for adjudication.

Now, therefore, in exercise of the powers conferred by sub-section (3) of the section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby prohibits the continuance of the strike in existence in the said colliery in connection with the said dispute.

[No. 2/124/69-LRII-i.]

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CORIGENDUM

*New Delhi, the 12th September 1969*

**S.O. 3833.**—In item (d), under para 8 of the Arbitration Award published in the Notification of the Government of India, in the Ministry of Labour, Employment and Rehabilitation, (Department of Labour and Employment) No. S.O. 2905 published in Part II Section 3 Sub-Section (ii) of the Gazette of India dated the 19th July, 1969, Read "DHIRERA MINES" For "PURABSAR MINES".

[No. 24/8/69-LR.IV.]

P. C. MISRA, Under Secy.

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(Department of Labour and Employment)

[Office of the Chief Labour Commissioner (Central)]

ORDER

*New Delhi the 6th September 1969*

**S.O. 3834.**—Whereas an application has been made under Section 19(b) of the Payment of Bonus Act, 1965 by Messrs Gogte Minerals (employer) in relation to their establishments mentioned in the Schedule below for extension of the period for the payment of bonus to their employees for the accounting year ending on 31st October, 1968.

And, whereas, being satisfied that there are sufficient reasons to extend the time I have, in exercise of the powers conferred on me by the proviso to clause (b) of Section 19 of the said Act read with the notification of the Government of India in the Ministry of Labour and Employment No. WB-20(42)/65 dated the 28th August, 1965, passed orders on ( . . . ) extending the period for payment of the said bonus by the said employer by 5 (five) months from the last date for payment of bonus under clause (b) of Section 19 of the Act.

Now this is published for information of the employer and all the employees of the said establishment.

THE SCHEDULE

| Name and address of the employer(s)           | Establishment(s) |
|---|------------------|
| M/s. Gogte Minerals, 146, Tilakwadi, Belgaum. | Gogte Minerals.  |

[No. B.A.-6(12)/69-L.S.I.]

O. VENKATACHALAM,  
Chief Labour Commissioner (Central).

